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Financing Public Higher Education in Louisiana.

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FINANCING PUBLIC HIGHER EDUCATION IN LOUISIANA

A Dissertation

**Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy**

in

The Department of Economics

by

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August, 1963

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This writer alone is responsible for the contents and any errors that are present.

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ABSTRACT

In the future, the general public as well as government officials and Legislators in Louisiana must give more attention than they have in the past to financing public higher education. This study analyzes the present financial resources and expenditures of public colleges in Louisiana and projects the needs between 1963 and 1970. In order to understand present financing procedures, it was desirable to review the historical development of higher education in Louisiana.

Conclusions and recommendations were reached after careful scrutiny of recent trends and current operations of public colleges and universities in Louisiana. After an intra-state analysis was made, financing public higher education in Louisiana was compared with seven other states of approximate population, personal income and similarity of economic activities; these states are Alabama, Florida, Kentucky, Maryland, Minnesota, Oklahoma and Tennessee.

Louisiana public institutions of higher education will be required to provide training for twice as many students by 1970 as they did in 1962-63. Organized research and

other public services require much attention from higher education; state universities are called upon more and more to do national research.

Future needs of public institutions of higher education are based upon enrollment estimates and projections of costs for student education, research, extension, and capital outlay. State revenue required for higher education will increase from \$68 million in 1961 to over \$151 million by 1970. Fourteen per cent of state expenditures will be needed for regular operations of higher education by 1970; in 1962 only 9.48 per cent went for this purpose.

The low-tuition policies of colleges in Louisiana place an extremely large part of total support for higher education upon the tax dollars; state revenue currently bears over eighty per cent of the cost of public higher education in Louisiana. Legislative fee exemptions are to some extent responsible for the low tuition charged by colleges in Louisiana.

The open-door admission policy of public institutions of higher education in Louisiana will necessitate much stronger pre-college counseling and guidance programs.

The state of Louisiana compares very favorably with

other similar states in absolute amounts provided to public higher education. Public higher education in Louisiana, however, does not receive, relatively, as much of total state spending as does higher education in most other states.

Financing adequately the public institutions of higher education in Louisiana will be more difficult for the state in the immediate years ahead than in the past. Spending patterns of the state government are not favorable to higher education. Most of the state's choice revenue sources are dedicated to state agencies other than colleges and universities.

Louisiana has a wealth of natural resources; the economy of the state since World War II has, in most years, outgrown the economy of the nation. One big weakness in the state government operations is the heavily dedicated tax structure.

Institutions of higher education in Louisiana must improve their position in the following areas before maximum efficiency can be attained: Coordination of programs among institutions, curtailing expansion of graduate schools and specialized curricula, strengthening programs of

pre-college counseling, improving the balance of revenue sources by increasing student fees, private gifts and federal government research funds, and discontinuing Legislative fee exemptions. Even with these improvements, Louisiana must spend a higher percentage of state revenue on public higher education.

FINANCING PUBLIC INSTITUTIONS OF HIGHER
EDUCATION IN LOUISIANA

INTRODUCTION

Where we are going in higher education in Louisiana is a difficult question. It cannot be answered easily because there is no long range plan of institutional development or even of curricula development. Thus, the problem of financing higher education in our state is very complex and a difficult one to solve.

The demands upon higher education today continue to expand. A larger percentage of today's student age population is continuing education at the college level than at any time in the past. More research places a multiplying burden upon our colleges and universities; not only must research add to the present storehouse of knowledge but it must be properly distributed throughout the various segments of the nation. How to meet the increasing demands of education without lowering the quality of the product is one of the great educational problems that Louisiana, like all states, must solve during the next decade.

The need for additional dollars of all state agencies

adds to the problem of financing higher education. Since 1941 higher education in Louisiana has received a decreasing proportion of the state's revenue, from 11.3 per cent in 1941 to 9.48 per cent in 1962. Since the low level of 4.9 per cent in 1948, higher education has received an increasing percentage of state revenue but has not regained the 1941 position.

Even though the state of Louisiana ranked ninth in the nation in 1957-58 in total amount spent for higher education, this did not by any means guarantee that Louisiana higher education was better financed than all but eight other states in the nation. The distribution of funds to the various institutions of higher learning and the other sources of revenue assisting the financing of our colleges and universities must be considered before one can conclude that the financing of higher education in the state is adequate or inadequate.

Higher education is a social capital investment as well as an individual investment. There is a question as to the division of responsibility in financing higher education. Even though education is of great importance to

the nation as a whole it is also a valuable private asset to the individual. Individual initiative, responsibility, and concern have proven to be the backbone of the American private enterprise system. Much of that individual responsibility has been by default passed on to the various levels of government. We must be ever conscious of this trend. Higher education in the United States in general is better today than ever before. Yet, financial support to colleges and universities has not kept pace with the growth of the national economy. Per capita income has increased far more than expenditures per student for higher education. Education cannot be judged by a static measuring rod; the measuring rod of excellence must change as demands, choices, problems, and opportunities change. What was good education a few years ago is not adequate today, and, as always, the greatest need in the world today is educated manpower with wisdom to guide their actions.

An efficient public higher educational system in Louisiana must be coordinated. At present the lack of coordination within the institutions as well as among institutions of higher learning is a pronounced problem. New institutions have been created and expanded without

any appreciable analysis of the total needs of higher education. Political and regional self interest has been the rule in the development of our colleges and universities. Most of the financing of our public institutions of higher education comes from the state level; this fact adds to the encouragement of new and expanded institutions. Curricula of the various institutions are developed across the board with little regard to what is being taught at other institutions. It appears that financing of the various institutions is becoming more and more a system of political expediency rather than one of serious coordination.

A system of two-year or junior colleges has a place in higher education in Louisiana. Yet, history reveals that each time a two-year institution is inaugurated regional political interests sooner or later expand that institution to the full four-year program. In the area of coordination of our total education system we would do well to review the specialized curricula that are offered in many of the colleges and universities. It is most likely that we are going too far in what might be termed job training instead of providing a broader educational foundation for our students.

As the demand for higher education continues to expand it will be necessary to do a better job in guiding the young people into those educational channels that will equip them for their most effective contribution to mankind. Too many young people come to college when they probably should be going to trade schools, business colleges, or securing the type of employment that best fits their abilities. Too many of our quality minds are not directed to colleges and universities because of the lack of counseling, financial advice, and encouragement. The secondary and elementary school administrators should review their efforts in preparing students for continuing education. Motivation is certainly one of the big reasons for college failures. What role can our institutions of higher education play in stimulating a stronger search for knowledge by the students? Manpower for education all down the line is provided by the various colleges and universities. The lack of trained teachers who can stimulate students to stretch their minds may be a serious deterrent to the proper functioning of the higher-education complex. A constant program of review in teacher training must be maintained.

The problems of financing higher education are by no means few. Throughout the history of our nation this has been one of our major problems. Yet the American system of total education can be favorably compared with the best in the world. Relatively speaking we have not done as well by education as we have done in the production of goods and services. However, if a sound plan of action is presented to the American people, it is believed that they will pay the bill for quality higher education.

As stated before, education is a social capital investment as well as a private investment. It is a responsibility of both society and the individual. The problem is how much of the responsibility should each absorb. It is true that, in general, the efficiency of expenditures is best when the one making the expenditure is also responsible for the funds. Therefore, the closer we keep the expenditures for higher education to the people responsible for the funds, the better financing principles we are likely to maintain.

The sources of revenue to support higher education must be re-evaluated. Are the students and parents making

enough of a contribution to their respective educational programs? Are the communities in which institutions are located supporting higher education commensurate with the returns they get from this economic and cultural asset? By community support is meant private as well as local governments. Many are recommending more federal assistance to higher education. Can the private enterprise system maintain its efficiency if more and more responsibility is passed on to the governments at all levels? Can the young people of today develop the necessary characteristics of individual responsibility if only a small part of the cost of their training is shouldered by the students? Also private businesses may have a greater stake in well-trained manpower than is revealed by their respective tax payments going to higher education.

As we discuss the cost of higher education we must take into account the total cost; that is, institutional and living costs as well as the loss of earning power of the students as they devote full time to college. No treatment of financing higher education will be complete without reviewing the economies that could take place within the present framework. One of the real problems of efficient

management of educational institutions is that of having the faculty basically responsible for the various curricula offerings, while the administrators concentrate on securing and distributing the funds for the program. Much duplication of effort might be eliminated by providing salary increases through economies developed by the faculty and staff. Obsolete courses and effective use of faculty members appear to be areas in which economies could be accomplished. Maximum utilization of present physical plant and equipment along with faculty and staff members will be of utmost importance in the years ahead.

Other problems of financing higher education are the lack of access to capital and the fact that higher education is an increasing-cost industry. Our colleges and universities have an extremely high proportion of costs in personnel who are in a rising national market. Also a constant improvement in the quality of education provided by the institutions of higher learning increases the unit cost. Another increasing cost factor is that very few cost reducing innovations take place. Too often the approach is just to ask for more instead of searching for economies within the institution.

The problem of financing higher education is vital to all people. Yet, in general, this problem is left to the educators alone. It is hoped that this thesis will contribute to a wider understanding of the problems of financing public higher education in Louisiana.

In the first chapter will appear some basic principles of financing higher education in the United States as they have developed during the past one hundred and fifty years. The second chapter treats the historical development and financing of public institutions of higher education in Louisiana up to 1940. A detailed analysis of financing the public institutions of higher learning in Louisiana since 1940 is presented in chapter three. Sources of revenue and expenditures of the colleges and universities will be reviewed. In chapter four revenue and expenditures of higher education in Louisiana will be compared with seven other selected states. The trend of state funds devoted to higher education and future needs of higher education will be projected in chapter five and the ability of the state to meet these needs will be discussed in chapter six. In chapter seven an analysis of special problems in higher education in Louisiana will be undertaken. The topics in

this chapter will include the need for a coordinated system of higher education, an analysis of Legislative fee exemptions and cash grants, the problem of student admissions and the importance of private gifts and grants to public institutions of higher education. In the final chapter it is hoped that conclusions and recommendations can be made that will encourage a quality program of higher education in the state of Louisiana.

CHAPTER I

NATIONAL DEVELOPMENT AND BASIC PRINCIPLES OF HIGHER EDUCATION

Higher Education Comes of Age

As a new nation was being carved out of woods, mountains and virgin farm lands by people with extremely different economic, social, and religious backgrounds, there developed a vital role for institutions of higher education. The early colleges were sponsored by church groups, local governments, and by individuals dedicated to the development of schools. These colleges of pioneer days sought to preserve and spread ideas of learning that had been inculcated in Europe. Little effort was made to advance new knowledge. The basic purpose was to help build civilized communities.

During the early nineteenth century the new idea of the university began to take root. Many educators went to Germany for study. They returned to the United States with enthusiasm to add to the present storehouse of knowledge. Public service, research, graduate study and professional studies were established as a part of higher learning. As early as 1789 the state of North Carolina

established a University. With the passing of the next seventy-five years the university movement was crystallized by the Morrill Act of the Federal Congress. This act provided the gift of federal lands to the various states; the proceeds of the sale of the land were to be used in higher education. Each state had to set up one college where the leading object was to teach such branches of learning as agriculture and mechanical arts. This provision required the colleges to broaden the base of educational training. This new approach to higher education had some weakening effects on the old liberal arts colleges. The established mission of colleges was to provide a general body of knowledge and preserve the basic values of our cultural heritage. The new enthusiasm for research, specialization and professional training had a tendency to overshadow general learning. One of the real problems to this day is the maintenance of a proper balance between liberal and specialized studies.

The colleges and universities of the United States have been available to more people than in any other nation of the world. Therefore, class society has been reduced and the environment for democracy improved. Many students

have come from poverty conditions to take advantage of higher education. Today approximately thirty-five per cent of the eligible-age (eighteen to twenty-one) American youth go to college. Generally, a person who has the necessary incentive and academic acumen can take advantage of higher educational opportunities. Although financial barriers may cause many top students to give up hope for college before all the avenues for assistance have been considered, nevertheless, the doors to colleges and universities have been and are open to persons of talent.

Diversity in higher education is a vital characteristic of democracy.¹ From the beginning of our nation's development education has been considered both a public and private responsibility. Churches, philanthropy, and all levels of government combined to provide the American people with a variegated pattern of public and private higher education. Institutions vary as to controlling authority, as to curricula, as to financial support and with regard to student body. In higher education one

¹Nature and Needs of Higher Education, issued by the Association of American Universities, July 27, 1952, pp. 31-57.

finds freedom of choice with respect to the kind of educational institution to which he desires to attend.

Higher education is the lighthouse of freedom. The free flow of ideas and individual thought preserves the competitive principle upon which rest efficiency and democracy.

Although different types of institutions are essential in higher education, the recognition must be made of limited resources for this purpose; some general concept of the nature of higher education must prevail. Too often institutions are pulled beyond wise growth into disorder. For the sake of students, faculty, and the public in general we must not duplicate or ignore valid roles for colleges and universities.

The United States is blessed with natural and human resources. These resources have developed the highest standard of living for the most people in the history of civilization. Institutions of higher learning have led the way in this movement. Today nearly two thousand institutions provide three and one half million students with college training. It is somewhat of a paradox to recognize higher education as so important and yet spend

approximately one per cent of our gross national product annually for this purpose. However, recent trends indicate that the American people will support higher education in even larger measure if its leadership will set forth a sound plan of action.

A Long-Range Vision

The starting point in establishing basic principles for financing anything is to set forth a sound program that will justify expenditures of funds. Needs and sources of revenue for higher education must be approached on a fairly long-run basis (five to twenty years). The nation, the states, and the individual institutions must envision a total program rather than constantly struggle with the day-to-day wishes of various pressure groups.

Since the individual states are basically responsible for educational opportunities, a coordinated plan for higher education must be established. Different types of institutions are needed to accomplish a complete program for post-high-school training. Various colleges and universities should be given specific as well as general educational responsibilities. Each institution must recognize its role in the total system of higher education

within the state. The need for institutions in different geographic areas of a state makes it imperative that a sound method of coordination be established. If each state-controlled college or university is permitted to develop across-the-board curricula without regard to what other institutions are doing, there will certainly develop expensive and unnecessary duplication of efforts. Each state must determine its long-range needs of higher education. Then each institution within a state should be assigned a basic mission and thereafter left to develop the highest quality program it possibly can. This, however, will never be done without some type of statewide coordination. A voluntary program of coordination will work in some states even though it has not proven satisfactory in some states where it has been tried. If voluntary coordination does not work, the state must set up some council or board with the authority necessary to control the broad mission of the various institutions.

Another sound principle in financing higher education is the maintenance of good communications between

the faculty and the administration. For an institution to be most effective the faculty must be responsible for curricula, schedules, sections, and class sizes. To prevent excessive overlapping and duplication of academic programs, a committee on curricula must scrutinize with great care added programs or courses.

The administration, of course, must be responsible for the institution as a whole. Securing the necessary funds to carry out the plans of the faculty usually consumes most of the time of the administration. Unless the individual faculty members are in a position to know the financial problems of the institution, it is most difficult for them to develop a feeling of responsibility pertaining to these matters.

In order for the individual faculty member to make decisions that are in the best interest of the entire institution, he must be well informed on the general goals of the institution. The faculty member must also be conscious of major university problems regarding finances, admissions, etc. The faculty and administration must work together in a continuous re-evaluation of the

following areas:

1. Broad fields of study as well as individual course offerings.
2. Faculty-student ratio and supporting staff members.
3. Utilization of physical facilities.
4. Duplication of efforts within the various departments.
5. Size and number of sections for same courses.
6. Admission and pre-college counseling services.
7. Extra-curricular activities of students.
8. Proper balance between basic and applied research.
9. Self-improvement of faculty.
10. Libraries to support course offerings and research programs.
11. Student aid opportunities.
12. Extension of courses beyond the campus.²

Through good sound planning colleges and universities can take to the people of America programs of higher education that will receive the necessary financial support; poor planning places the total program in jeopardy.

Who Should Pay for Higher Education

There is general agreement in America that education at the elementary and secondary levels should be free and compulsory for all people. This philosophy is based upon social necessity. In higher education this same philosophy

² A. J. Brumbaugh, Higher Education in Louisiana (Louisiana Commission on Higher Education, 1956), Summary of Five Volumes.

of social necessity prevails but with some limitations. These limitations have to do with those who should go to college and with what part of the costs these individuals should bear. Many educators strongly contend that higher education should be regarded as an integral part of the entire educational system of the nation and should be harmonized with that system. They insist that the basic philosophy behind public responsibility for secondary and elementary education is the same for higher education. The United States Congress in passing the National Defense Education Act of 1958 expressed a national conviction that our very survival as a nation is in large measure dependent upon our colleges and universities. There is no question about the validity of this national conviction. But who should go to college and how much it will cost the individual recipient is another matter.

Historically, higher education has been regarded as a social necessity for maximum development of this nation. However, all people cannot profit from being exposed to higher learning. Those persons with intellectual promise should be encouraged to attend college. In 1952 the Commission on Financing Higher Education of the

Association of American Universities had the following to say about going to college:

"The primary purpose of higher education is to advance the intellectual resources of our society and to stimulate the development of the student of intellectual promise and interest....We believe higher education should accept as its first concern the education of those young people who fall approximately within the top twenty-five per cent in intellectual capacity....Higher education is not an opportunity owed by society to all citizens, nor an obligation all citizens should be asked to assume....Higher education is exploratory in nature. Its inquiries are speculative. These characteristics set it apart from primary and secondary education."³

The doctrine of equality of opportunity for higher education should not be confused with the automatic rights of all people. The opportunity for higher education is earned. When the University of Virginia was established in 1819 it was created to enlarge the opportunity for the poor but talented youth to continue his education. Thomas Jefferson led the arguments for this action.⁴

As the mixed system of higher education has developed in the United States there are many avenues from which

³ Nature and Needs of Higher Education, op. cit., pp. 41-42.

⁴ Ibid., p. 8.

institutions of higher learning receive financial support. Regardless of the controlling element of a college or university the following sources help either directly or indirectly: philanthropy, all levels of government, annual alumni giving, corporation contributions, gifts and bequests by individuals, church support, foundation assistance and student fees and tuition. As John D. Millett states in his treatment of the role of student charges:

"The college or university president must be a perpetual beggar if he is to find the current operating income and the capital funds needed to ensure institutional well-being."⁵

This variety of financial support provides the institution with some degree of freedom.

In 1957-58 twenty-five per cent of all educational and general income was derived from tuition and fees paid by students. For public-controlled institutions the students paid approximately thirteen per cent while students of private-controlled institutions paid approximately

⁵ John D. Millett, "The Role of Student Charges", Dexter M. Keezer (ed.), Financing Higher Education, 1960-70 (New York: McGraw-Hill Book Co., 1959), p. 164.

forty-two per cent.⁶ These figures would be considerably higher if federal grants for specific research were deducted. From 1940 to 1955 the average student tuition charges for public and private universities have increased ninety and eighty-three per cent, respectively. During this same period the average per capita income increased by 237 per cent.⁷ This indicates that student fees and tuition have not kept pace with per capita income.

The question of tuition charges occurs so frequently because of the magnitude of the current and projected revenues necessary for an adequate system of higher education. It is estimated that the national cost of higher education will increase from the present four billion dollars to ten or twelve billion during the next decade. Where will the increase in funds come from? In attempting to answer this question one runs head-on to the student portion of the increased burden. In discussing the role of student charges in institutions of higher learning, John D. Millett emphasizes the necessity for various

⁶U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1957-58, p. 64.

⁷Seymour E. Harris, Higher Education: Resources and Finance (New York: McGraw-Hill, 1962), p. 148.

sources of revenue in order to provide the academic freedom that a college or university must have. He points out that three separate groups have concluded that no one source of income is best. The doctrine of balance in revenue sources is essential. One recommended balance of revenue for education and general income of institutions of higher learning is as follows:

State and local government	-	39 per cent
Tuition and fees	-	22 per cent
Federal government	-	17 per cent
Gifts, grants, endowment	-	14 per cent
Miscellaneous	-	8 per cent ⁸

As one analyzes student tuition and fees for higher education, it is helpful to know the incidence of the costs. It is estimated by Devereus C. Josephs, Chairman of the Board of the New York Life Insurance Company, that the break-down of sources of the student portion of college tuition and living expenses is as follows:

Current family income	-	40 per cent
Family savings	-	20 per cent
Student employment	-	25 per cent

⁸Robert D. Calkins, "Government Support of Higher Education," Dexter M. Keezer (ed.), Financing Higher Education, 1960-70 (New York: McGraw-Hill Book Co., 1959), p. 196.

Gifts and loans - 15 per cent⁹

There are many arguments for and against larger student tuition for higher education. A short analysis of these arguments is necessary to set the stage for an adequate treatment of the problem in the state of Louisiana.

The Arguments for Low or Nominal Tuition

1. Higher education is of collective value to the community, state and nation as a social necessity. The more highly educated the masses, the better democracy works. Class society is reduced by eliminating economic and family status barriers for education.
2. The payment of only a nominal tuition makes possible higher education to many marginal income families and encourages young people to consider college. High tuition could dampen hopes and incentives to continue education before full analysis of possibilities is made.

⁹Millett, op. cit., p. 172.

3. Public expenditures for higher education are extremely small at present in comparison with the role of higher education in the economy. At the state level these expenditures range between five and ten per cent. There is no legitimate reason why a higher portion of state revenue cannot go to colleges and universities.
4. Scholarship assistance just is not available for all talented and needy students. If enough scholarship funds were available, there is still an undesirable aspect in financial aid to only the needy students, because a financial complex between the haves and the have-nots would surely develop.
5. A stronger loyalty to society is developed by the nominal tuition. If the student feels that he has paid for his education, he is more likely to consider his talents as purely private and have little concern for using them to the benefit of society in general.
6. Even though a person receives a personal gain from education at less than cost, he will more than repay society in future taxes. The average

college graduate will earn during his lifetime between \$150,000 and \$200,000 more than the high school graduate.¹⁰

The Arguments for Higher Tuition

1. Tuition today in public-controlled institutions of higher learning is only a token of the cost of the student's education. This token share of the revenue relieves the student and his family of most of the general educational costs. About all the student does is to forego income that he could be earning and take care of his personal living expenses. In many cases even the personal living expenses are shared by the institution. The lack of individual responsibility in such a personal matter has a tendency to reduce individual incentive and responsibility in other phases of the individual's life. One of the arguments for nominal tuition is that it develops leadership. At the same time that the individual is being exposed to this leadership development he

¹⁰ Millett, op. cit., p. 179.

is on the other hand being relieved of the financial responsibility of his education. Does society really gain from this type of leadership development? The free private enterprise system must have unlimited individual initiative. The feeling that society owes one an education will not preserve democracy.

2. Higher tuition is a small part of the full cost. The social necessity principle justifies much responsibility on the part of governments, philanthropy, etc. Since tuition is such a small part of total educational costs, a higher fee on the part of the institution would very seldom be the deciding factor in determining whether or not a student continues his education.
3. Higher education in America is a mixed system. The diversity of private and public control is good. It provides not only an element of freedom but also establishes a measuring rod for the various institutions to compare programs and efficiency. The private sector of higher education

is finding it more and more difficult to finance its programs under the present resource structure. The increasing costs of educational services are putting the pressure on rising student fees and tuition. As private-controlled institutions are forced to raise tuition and public institutions gain in educational prestige, more and more students are making their way to public institutions, either by choice or as a result of limited enrollment on the part of private institutions. This movement took place even though tuition at public institutions increased relatively more than the tuition of private institutions during the past twenty-five years. Higher tuition on the part of the public institutions will help preserve our dual system of education.

4. Students are being "short changed" when they receive low quality education. Because of the lack of funds to pay faculty members, many of the really outstanding teachers have gone into business, industry or some other profession. Obsolete

equipment or a shortage of equipment will cause students to receive training that is less than desirable. Other sources of revenue just have not been sufficient. Higher tuition could help restore the teaching profession to a plateau of prestige. Most people will pay for quality if they are aware of the differences.

5. In general, family incomes have increased much more than tuition. People in America are better able to share the cost of higher education today than ever before. Not only are they better able to pay, but it would seem that education has progressed sufficiently that a greater willingness on the part of the people to pay more would be present today.
6. Is the benefit principle of taxation adhered to when all the people are taxed in order that a practically free higher education be provided to approximately thirty-five per cent of the college age youth? Especially when the majority of this group could pay more of their way? Wouldn't it

be more democratic to charge higher tuition to all the students and do a better job assisting those poor yet talented students who must have more financial aid than the nominal tuition provides? It would seem that the problem of making sure that all those talented students take advantage of higher education is a more crucial problem than having a token tuition charge to all the students.

7. Credit is the backbone of the financial affairs in America. Our people enjoy one of the highest standards of living in the world. Credit plays a vital role in this phenomenon. Every phase of living is involved with spending today and paying tomorrow. Yet in higher education very little credit financing is done. There is no greater investment one can make than in personal ability. This appears to be a better procedure than calling upon governments to assume more of the burden. Since the lack of motivation is one of the reasons for a large drop-out rate at the freshman year in college, it would

seem that a greater financial share in the costs of higher education would strengthen the determination of the students. Most of those who have the will to pay higher tuition will have the motivation to achieve a college education.

8. One of the strongest cases for higher tuition is the individual gain of receiving a college education. Different estimates place various amounts on the money value of a college degree. In general, most estimates exceed \$100,000 over the life time of a college graduate. The investment value to an individual justifies a higher tuition charge than currently prevails in public institutions of higher learning.¹¹

In review of the above cases for and against higher tuition there will no doubt be a relative increase in student charges for higher education. During the next decade it is estimated that a tripling in financial resources to colleges and universities will be necessary. Of necessity a larger part must come from students unless some

¹¹ Harris, op. cit., p. 149.

extraordinary changes are made in the federal government's participation in financing education. If state governments expand their support to absorb the necessary increase, it will take seventeen per cent of state revenue instead of the current five to ten per cent; this expansion is most unlikely.

The historical low-tuition principle has lost in part its original basis of justification. When the college and university movements took place some one-hundred-fifty years ago, the nation was faced with a real problem of illiteracy. The nation needed teachers and preachers who could help build strong communities and upgrade the simple reading and writing of the people. Today the per capita income has increased manyfold over those of earlier periods of American history. Families are therefore much more able to pay for higher education. Tuition in the meantime has not kept pace with per capita income. The incentive to continue education for private gains is much greater today. Also under the present tax structure most of the burden of public higher education rests upon the low-income families. Consumption and property taxes, regressive in nature, support education in the most part

at the local and state levels.

The Exercise of Financial Prudence

Good management in higher education is not as easily identified as is good management in a private business conducted for profit. All colleges and universities operate on a below-cost pricing principle. The element of social necessity eliminates the profit motive from the operations of institutions of higher education. Add to the below-cost pricing the fact that higher education is an increasing-cost industry and one immediately sees why so much concern has developed in financing higher education in recent years. As more students present themselves for college training the average cost to the institution rises, increasing the task of the administration in securing the necessary funds for operations.

As pressure develops from the increasing demand for higher education, the faculty and administration must strive for greater efficiency. The danger of faculty members presenting to the administration unwarranted requests must concern the entire faculty. The administration must expect and depend upon the faculty to be conscious of efficiency in expenditures. It is easy for individuals

not responsible for raising funds to be extravagant in expenditures. Department heads, deans and directors must take full responsibility for presenting budgets of integrity. Dependence upon the top administrators to glean out the padding of budgets may result in some type of general reduction in all budgets. It is most difficult for the top administration to make decisions concerning departmental level requests. The individual faculty member must feel that he is a part of the university from the top level of responsibility to the bottom.

The lack of adequate accounting, analysis and planning all contribute to the financial woes of colleges and universities. Cost accounting for various educational services is in many cases nil. Market analysis of tuition is rarely complete. Long-range planning coupled with careful study of past programs could add much to the efficiency of higher education. A better use of present resources may relieve some of the pressure on the projected needs for more funds.

The use of faculty time and physical facilities must be continually reviewed. A change in student-faculty ratio will probably be necessary to expose more students

to the best professors. A year-round calendar for higher education is being considered by more and more institutions in order to make maximum use of plants.

Students may be able to expedite their programs by taking a heavier academic load. Fifteen to eighteen hours per week may be expecting too little from most college students of today.

For the basic principles set forth in this chapter to be effective, the administration, faculty and students must work together with respect and appreciation for the responsibilities of each other.

Chapter II

THE DEVELOPMENT OF HIGHER EDUCATION IN LOUISIANA

From the beginning of higher education in Louisiana (1811) to 1940 there were five periods in which major changes took place regarding financing of colleges and universities.

The first period was from 1811 to 1845. In 1845 the Louisiana Constitution was revised and major changes in higher education were involved. From 1845 to 1900 higher education experienced the tragedy of the war years and reconstruction. During this period the federal government made substantial contributions to the development of colleges and universities. By 1900 Louisiana had four institutions of higher education. President Thomas Duckett Boyd had been at Louisiana State University for four years and the University was on the threshold of moving forward with a major building program. The Normal School at Natchitoches had become a major element in teacher education by 1900. Southern University, as a result of the Second Morrill Act of 1890 had become a land-grant college and one of the leaders in Negro education in the South.

Industrial Institutes at Ruston and Lafayette had been established in 1895 and 1898, respectively. Grambling College started in 1901. No other public colleges were started until 1925.

The third period of financial history of higher education dated from 1900 to 1920. This period saw the colleges and universities make substantial progress as a result of greater financial support from the Louisiana Legislature. Also, Governor Parker and President Boyd had set the stage for the development of the "Greater University" five miles south of Baton Rouge.

The fourth period of major significance in financing higher education was from 1920 to 1930. During this period state taxes were first dedicated for higher education. In 1921 a major change took place in higher education when all the state colleges except Louisiana State University were placed under the direction of the State Board of Education.

The fifth period, 1930 to 1940, can be called the period of expansion. Financial support by the state to all colleges and universities for regular annual operation was increased three-fold. Total enrollment

jumped from approximately six thousand to approximately eighteen thousand students. This increase in students in higher education was stimulated by a strong student-aid program on the part of the state government to assist the severe unemployment problem. Also the people of Louisiana became more aware of the advantages of education.

The Early Years (1811-1845)

Early in the history of Louisiana all efforts to develop institutions of formal learning were thwarted by people having strong nationality loyalties. In addition to this problem the city of New Orleans dominated the activities of the area and this brought about jealousy and rivalry between the city and country districts. Dr. Walter L. Fleming in his Louisiana State University 1860-1896 gives the following summary of education in Louisiana from 1803 to 1845:¹

"The educational policy of Louisiana was to satisfy partially the demands of each nationality, of each leading church, of each large town, of each geographical district; decentralize the school system and disperse the public educational activities. In general the schools and colleges were under local and private or political control; in return for state aid each subsidized school was required to educate free a fixed number of poor children."

¹Walter L. Fleming, Louisiana State University 1860-1896 (Louisiana State University Press, 1936), p. 11.

As might be expected in the early years of Louisiana's history, education at all levels was difficult to finance. A few young men of wealthy families went abroad to study. Little time was available for education, especially higher education, for most of the Louisiana citizens.

The first publicly-aided college in Louisiana was the University of Orleans. In 1803 the legislative council of the Territory of Orleans established this University under the control of a board of regents. Financial aid was provided by appropriations and certain approved lotteries. The University never functioned effectively because of the weakness of the central administration.

In 1812 the University of Orleans was abolished and the College of Orleans took its place; this institution received Legislative appropriations from its beginning in 1811 until it was closed in 1926. State appropriations amounted to \$103,000 and funds from lotteries totaled \$125,000.² Student tuition covered most of the operating expenses. Some state funds were made available for indigent students.

²Ibid., p. 13.

Because of geographic partiality three state-assisted institutions were authorized after the closing of the College of Orleans. The College of Louisiana was located in Jackson, the College of Jefferson in St. James parish, and the College of Franklin in Opelousas. All of these colleges functioned until 1845. Several private institutions were subsidized by the Legislature during the period from 1825 to 1845 in return for free tuition and board to indigent students. The best known of these were the College of Rapides, the College of Baton Rouge, Mount Lebanon University and Mansfield Female Seminary. The total expenditures by the state for higher education between 1803 and 1845 amounted to \$1,767,638.³ Very little could be shown for these expenditures after 42 years of effort. In 1844-45 the Legislature stopped granting support to the above colleges.

The Beginning of Permanent Institutions of Higher Education
(1845-1900)

In 1845 the Louisiana Constitution made provisions for two institutions of higher learning. One was to be the

³ Ibid., pp. 15-16.

University of Louisiana located in New Orleans and the other would be the Seminary of Learning. The University of Louisiana did not receive any state appropriations between 1845 and 1878 and only the Law and Medical Schools actually functioned during this period since they received sufficient fees to stay in operation. The general academic work was nil. During the first fifteen years of the University the state provided only \$127,000 for building and expenses. In 1884 the University of Louisiana ceased to exist and its property was turned over to a new private school, Tulane University.⁴

Louisiana State University and Branches (1860)

The Constitution of Louisiana (1845) made provision for a Seminary of Learning. This institution was to receive the proceeds of the United States land grants made to Louisiana for the benefit of higher education. It took several years of wrangling to get the federal land designated and sold.

Another period of debate preceded the decision on the location of the new Seminary. In March of 1852 the location

⁴Marcus M. Wilkerson, Thomas Duckett Boyd, The Story of a Southern Educator (Baton Rouge, Louisiana: Louisiana State University Press, 1935), pp. 241-242.

was fixed at Pineville in Rapides parish. The Legislature appropriated \$3,190 for the purchase of 438 acres of land and \$15,000 for a building. The completed main building was turned over to the Board of Supervisors in November of 1858. The Federal government made available to the state two townships of land to be used in support of higher education. The land was sold for \$136,000 and was invested at six per cent interest. This federal seminary endowment provided an annual income of \$8,280.

At the first meeting of the Board of Supervisors in May of 1859 the scope of the work to be done at the institution was established. The Seminary was to be "a literary and scientific institution under a military system of government on a program and plan similar to that of the Virginia Military Institute."⁵ In August of 1859 the Board appointed William Tecumseh Sherman as superintendent and professor of engineering. On January 2, 1860, the Louisiana State Seminary of Learning and Military Academy began its first session; five professors and nineteen students were present.

The 1860 Louisiana Legislature appropriated funds for

⁵Fleming, op. cit., p. 29.

the following purposes to the new institution.⁶

Annual appropriation	\$ 20,000
Unpaid interest on the Seminary fund	19,260
Building loan	30,000
Construction of library	15,000
Support of 51 beneficiary students	15,000
Increase in Sherman's salary.	500
Total	\$ 99,760

When Louisiana seceded from the Union, Sherman turned all responsibility over to his staff and left the Seminary on February 19, 1861. On April 23, 1863, the Seminary closed for the duration of the war.

After the war, David French Boyd, one of the first professors of the Seminary, was appointed as acting superintendent and was instructed to begin plans for reopening the school on October 2, 1865. During the Reconstruction Period, 1865-1869, the Seminary had barely enough funds to operate. Student fees and discounted state warrants made up the meager revenues. Discounts as high as seventy per cent had to be given for cash. The Seminary endowment was still on the books but on several occasions the interest was withheld by a hostile Legislature. The beneficiary student program was an added burden to the University. Since the students had to be fed and housed, the University had to

⁶Ibid., p. 56.

use other funds when the state warrants were severely discounted.

On October 15, 1869, the Seminary building was burned; shortly thereafter the school was moved to Baton Rouge. A part of the Institute of the Deaf, Dumb and Blind was made available for use by the Seminary.

On March 16, 1870, the name of the school was changed to Louisiana State University and the permanent location was set at Baton Rouge. The state appropriation to the University was \$350 per year for each beneficiary student enrolled. The University continued to restrict enrollment to the white race; this policy resulted in the elimination of appropriations to the University in 1872 by the Legislature. The University thus had to discontinue the beneficiary student plan and this action reduced the student body to 45. From 1872 to 1877 the University received no aid from the state and had to struggle for its very existence. At one time during the period only three professors were left on the faculty.

The State Funding Act of 1874 reduced the University endowment (federal seminary) fund by forty per cent; the University refused to cooperate and thereby lost all the

interest due from this fund. For fear of legal entanglement the state replaced the endowment fund to its original amount of \$136,000 but dropped the interest from six to four per cent.

When the Morrill Act of 1862 became effective, Louisiana received assistance from the federal government in setting up higher education for practical training. The Agricultural and Mechanical College was established by the Legislature in 1874 at a temporary location in New Orleans. The original endowment of \$205,280 was invested in \$327,000 worth of Louisiana state bonds bearing six per cent interest.⁷ Again the segregation position of the University caused the predominantly Negro Legislature to oppose combining the Agricultural and Mechanical College with the University. After two years of weak existence by the college in New Orleans the Legislature finally passed a bill on March 2, 1876, to unite the two schools. Colonel David Boyd, the President of Louisiana State University, had worked from the beginning of the A&M movement to bring about this consolidation. After fourteen months of political maneuvering, on June 1, 1877, the union of the

⁷Ibid., p. 282.

University and the A&M College was formally declared and named the Louisiana State University and Agricultural and Mechanical College. David Boyd accepted the presidency of the combined institutions in October of 1877. In 1878 all the buildings of the Institute for the Deaf, Dumb and Blind were turned over to the new institution. It was not until 1880, however, that the state made appropriations to the University and A&M College. At that time an annual appropriation of \$10,000 from the state was set up in the Constitution. Additional income came from the University endowment fund, the Morrill Land Grant endowment, and student fees.

The total revenue ran between \$25,000 and \$30,000 per year.⁸ From time to time additional building and repair funds were made available. In the late 1870s and early 1880s the parish police jurors assumed the responsibility of the beneficiary students.

Colonel David Boyd had to fight hard for the merger of the University and A&M College and in the process made some enemies. This dislike for the LSU President got the

⁸Ibid., p. 330.

Board of Supervisors involved and Colonel Boyd was asked to leave in 1880. The Board appointed W. P. Johnston as president until 1883 when he resigned to become the first president of Tulane University (the University of Louisiana until 1884).⁹ For the next four years Louisiana State University was in a very unstable position. Following President Johnston's resignation, James W. Nicholson served for two years. Then David Boyd was asked to return to the presidency.

At this time Colonel Boyd obtained permission to move the campus to the vacated federal barracks at the Baton Rouge Arsenal. After months of preparation the move took place and the first session on the new campus started in October of 1886.

David Boyd stayed at the post until December, 1886, when his brother, Thomas D. Boyd, was appointed for a five-month period. Again Colonel James W. Nicholson received the call to the presidency. The University settled down for a period of eight years of slow but certain progress. Professor Thomas D. Boyd went to Natchitoches as president

⁹Wilkerson, op. cit., p. 242.

of the newly established Louisiana State Normal School, and Colonel David Boyd left LSU to become the president of the Kentucky Military Academy. David Boyd came back to LSU in 1897 and stayed on the faculty until his death in 1899.

Additional federal funds were made available in 1887 to the University through the Hatch Act. This act provided \$15,000 annually to the University for agricultural experiment stations.

The Second Morrill Act of 1890 provided \$25,000 annually to be shared by Louisiana State University and Southern University. In 1898 the Louisiana Constitution raised the annual appropriation for Louisiana State University to \$15,000.

Under the leadership of Colonel Thomas Duckett Boyd as president of the Louisiana State Normal School and Nicholson at Louisiana State University and A&M College, higher education in Louisiana was finally recognized by the political leaders as a vital element in the development of the state. While Colonel Nicholson was guiding LSU and getting the agricultural experiment stations underway, Thomas Boyd was pioneering the field of teacher education.

Louisiana State Normal School became the recognized leader in the development of the public education system of the State. During his tenure at Normal from 1888 to 1896, President Boyd made a lasting contribution by arousing the interest of the people of Louisiana in education.

When Colonel Nicholson resigned as president of LSU in 1896, he nominated Thomas D. Boyd as his successor. As the news became known that the University was seeking Boyd for president, many people of north Louisiana urged him to stay at Normal. After four weeks of deliberation over the decision, Thomas Boyd came back to his Alma Mater and began a career that saw the University become one of the leading institutions in the South. One of the first decisions made by the new president was to bring the Audubon Sugar School to the Baton Rouge campus. In the ensuing years this school became world renowned.

With the help of substantial gifts from William Garig and John Hill, Colonel Boyd started a building program that saw LSU during the decade following 1900 replace the old delapidated garrison with 22 new well-equipped buildings.

As the new century began higher education made slow but certain improvements in financial support from the

state. In 1904 the Louisiana Constitution was again changed and it eliminated completely any restrictions on annual state appropriations to Louisiana State University. During the next Session of the Legislature the University's appropriation was raised by over sixty per cent.

From 1900 to 1911 the state appropriated \$245,000 for building purposes on the University campus alone. Another \$75,000 was donated by private individuals and organizations. During the first decade of the twentieth century state appropriations to Louisiana State University increased from \$16,000 to \$77,000 annually. By 1920 the University was receiving over \$250,000 per year.¹⁰

In 1906 the Law School was established. During this same year the School of Agriculture was started and women were admitted to the University for the first time. The session of 1908-09 saw the University reorganized into colleges and schools. The celebration of the semi-centennial of the institution took place in 1909. The fiftieth anniversary did not interrupt the growth of LSU. The

¹⁰Ibid., pp. 202-220.

Department of Forestry was added in 1911-12, the Department of Journalism in 1913-14, the Departments of Music and Home Economics in 1915-16, and the Department of Geology was restored in 1914. Even though the Department of Agricultural Extension had its beginning in 1909 it was greatly enlarged and improved under the Smith-Lever Act of Congress in 1914. A general extension program carried most of the LSU professors far beyond the campus with their instruction. In 1915 the Teachers College and the College of Arts and Sciences had a new building provided by a gift of \$40,000 from the Peabody Educational Fund.

The elimination rule was established by the University in 1915. This rule became known as the 'hog law'. The new regulation provided that a student had to make certain progress toward a degree or he would be dropped from school. By the session of 1916-17 the student body had reached 888 and shortly after the first World War the enrollment passed the 1,000 mark.

With the growing need for facilities for the College of Agriculture, the University had to find more land. Soon after World War I Colonel Boyd tried to obtain the

Gartness Plantation three miles south of Baton Rouge. The price of the plantation was \$82,000. Even though Colonel Boyd knew the University had only a slight chance of getting that amount of money, he still deposited a personal check for \$500 to secure a sixty-day option to buy the land in March, 1918.¹¹ This option almost ran out before President Boyd got nine other interested citizens of Baton Rouge to sign a note for \$50,000 and made the necessary down payment. Governor Ruffin G. Pleasant was favorable to the purchase, and a bill authorizing it passed through the Legislature without opposition.

John M. Parker became a candidate for governor in 1919. He pledged to the people the development of a 'greater university' on this new site. He proposed a severance tax of two per cent on natural resources to be used solely for buildings and equipment for the new campus. It was estimated when the tax was passed that approximately five million dollars would be forthcoming by 1925.

Governor Parker fulfilled his campaign promise. The new university was occupied for the session of 1925-26

¹¹Ibid., p. 312.

and the dedication was set for April 30, 1926, the anniversary of the admittance of Louisiana into the Union, with the dedication continuing on May 1 and 2.

In 1925 the two per cent severance tax had not reached the estimated five million dollars for LSU. The Legislature continued funds from this tax until approximately six million dollars had been given to the University by 1928. Beginning on January 1, 1925, LSU was to receive dedicated revenue of one million dollars per year from a one-half mill portion of the Ad Valorem tax on property in the state.¹² This dedicated revenue still goes to the University Fund.

After the first session on the new campus, Colonel Boyd at age 73 asked to be retired. Dean Thomas W. Atkinson of the College of Engineering was appointed to the presidency. In 1928 the University was first accredited by the American Association of Universities.

After four years of state leadership under John M. Parker, higher education had received a 233 per cent annual increase in operating funds; from \$600,000 to \$1,400,000. Also approximately five million dollars had been spent on

¹²Constitution of the State of Louisiana, adopted in Convention, June 18, 1921, annotated by the Publishers' Editorial Staff (Indianapolis: Bobbs-Merrill Company, 1922), p. 227.

new construction. When LSU started receiving the funds from the one-half mill tax from property in 1925 some of the severance tax revenue was used for building purposes at the other colleges in the state. During the four years from 1926 to 1930 over one million dollars was spent on capital outlay at institutions other than LSU. The annual operating revenue of these same colleges had reached approximately one million dollars by 1930.¹³

David Boyd and Governor John M. Parker started the real progress in higher education in the early 1920s; however, it was Governors Huey Long, O. K. Allen and Richard Leche who provided higher education with the largest share of state expenditures in the history of our state. In the depression years of the 1930s over \$42,000,000 was provided for higher education. Construction on all campuses amounted to approximately \$19,000,000.¹⁴ The combined operating budgets for the ten-year period reached over \$23,000,000. In Table I are listed the appropriations of state funds for the various institutions for the decade

¹³ Annual Report of the State Superintendent of Education, 1930 (Baton Rouge, Louisiana: Louisiana State Printing Office, 1930).

¹⁴ Ibid.

1930-40.

The 1930s brought both progress and tragedy to the University. As a result of the political awakening of the people of Louisiana by Huey Long, the citizens became conscious of the value of education. There was a growing demand for higher education in the state. Rapid exploitation of natural resources provided the state government with a large amount of revenue at a time when the economy was experiencing a severe depression. Much unemployment prevailed in the state. The state government made available large amounts of money for scholarships, fellowships, student employment, and generous exemptions of university fees. LSU's enrollment increased during the 1930s by 368 per cent while the national average was 28 per cent.¹⁵

During the depression years there developed in Louisiana a state-wide practice which still prevails regarding education. The various institutions of higher education as well as the total public school system began to be financed predominantly from the state level. Very little support

¹⁵American Council on Education, "Louisiana State University", (Washington, D. C., unpublished survey report, May 27, 1940), 68 pp.

TABLE I

Sources of Revenue for Public Institutions of Higher Education in Louisiana
1930-31 to 1939-40
(Amounts in dollars)

	Louisiana State Appropriations					
	Operations	Buildings	Federal	Student Fees	Other	Total
LSU	12,375,431	14,650,465	5,633,472	2,637,490	8,467,361	43,764,219
NSC	2,993,784	1,042,923	-	138,427	293,811	4,468,945
LPI	2,741,361	541,356	-	225,785	284,941	3,793,443
USL	3,512,506	1,159,982	722,574	310,787	293,207	5,999,056
SLC	539,384	665,012	348,289	112,458	35,214	1,700,357
S. Univ.	913,525	754,875	642,534	77,273	252,869	2,641,076
Grambling (7 years)	128,160	23,665	13,524	13,295	49,834	228,578
Total	23,204,151	18,838,278	7,360,393	3,515,515	9,677,237	62,595,674
Source:	<u>Annual Report of the State Superintendent of Education, 1930 - 1940.</u>					

from other sources has been developed to the present time.

The tuition charges to students of public-controlled institutions have played a rather weak role in the financing of Louisiana public higher education since the turn of the century. The low fee idea has become so embedded in the minds of Louisiana educators that today the state has the lowest student charges of any state in the nation. A strong program of student aid helped relieve the unemployment problem in the 1930s.

During the 1930s additional taxes were dedicated to higher education even though the General Fund provided most of the state funds for colleges and universities. In 1932 the Constitution dedicated the proceeds of the Excise Tax on Insurance Premiums to Louisiana State University beginning July 1, 1934. The Fertilizer and Feed tax was also dedicated to Louisiana State University for agricultural uses.

Federal funds channeled to Louisiana higher education increased significantly during the 1930s; during the two-year period of 1930 and 1931 the federal government spent \$692,735 in Louisiana. All of these funds went to Louisiana State University and Southern University in connection with

agricultural development or the original land grant endowment. The two years of 1939 and 1940 saw over \$3,341,500 of federal government funds channeled into Louisiana higher education. Most of this federal aid had to do with special building projects; five institutions were recipients of these funds.

Other sources of revenue for colleges and universities were parish grants to colleges in their areas, and private gifts and grants. Louisiana State University received some funds from oil production on University lands. Also \$5,300,000 was obtained by the University through the sale of bonds for building purposes. These bonds were supported by the full faith of state revenues.

The rapid expansion of the physical plant, academic programs and student body brought about a rather loose administrative structure. This resulted in 1939 in University administrators and top state governmental leaders becoming involved in financial fraud. The President of LSU and the Governor of the state of Louisiana were sentenced to prison.

Since the reorganization in 1940 the University has continued to develop world-wide programs in many fields.

LSU expands and updates programs today as demands and conditions change. The University has programs that reach into every parish of the state. Agricultural experiment stations are in 14 strategic locations about the state. The city of New Orleans has two branches of the University -- the Medical School and the lake-front campus. A two-year program is provided at the branch at Alexandria. The current academic staff numbers over 1200 and the enrollment was 18,118 degree-credit students for the fall semester of 1962-63.

Northwestern State College (1885)

Louisiana, in 1885, being most underdeveloped in education, found the supply of teachers far short of needs. Since the Seminary of Learning was not open to women, there was no state-aided school available for training female teachers. In 1884 the parish and town governments of Natchitoches, Louisiana, purchased a convent and petitioned the State Legislature to establish a Normal School as a state institution. In 1885 a two-year program was authorized by the Legislature and the State Normal School became official. The school received \$13,000 per year from the State Legislature beginning in 1885.

The Normal School made little progress until Thomas D. Boyd, a professor at LSU, was appointed president in 1888. President Boyd knew the people of Louisiana and knew how to work with the political leaders of the state. He worked vigorously to increase annual state appropriations and get special funds for building purposes. He was also the initiator of the teachers' institute movement which aided the public school teachers in improving their instruction and inspired in them a professional spirit. President Boyd presented to the Legislature year after year requests for funds to develop a school of industrial arts for the training of young women. Even though the industrial school was not added to the Normal School, President Boyd had much to do with the over-all movement which resulted in the 1894 Legislature establishing the Louisiana Industrial Institute at Ruston.

In 1890 Boyd left the Normal School and returned to LSU as president. The years that followed saw the Normal School continue to lead the state in the improvement of public schools. By 1900 the annual appropriation to the school was approximately \$25,000. Additional funds were added for buildings and major repairs. It was not until

1918, however, that Normal was permitted to offer a full four-year program.

In 1921 the Louisiana Constitutional Convention placed all institutions of higher learning except Louisiana State University under the control of the State Board of Education. State appropriations of not less than \$700,000 annually were to be divided among the four institutions, Normal, Southern University, Louisiana Tech and Southwestern.¹⁶ The year prior to the Constitutional Convention these same four institutions received from the state General Fund a total of \$372,000. State support of higher education started an upward trend that prevailed until the beginning of World War II. In 1918 the name of Normal was changed to Louisiana State Normal College. The present name of Northwestern State College was given the school in 1944. In 1962-63 enrollment had reached 3,468 students. The graduate program at Northwestern started in 1954 in the field of education and in 1958 the Graduate School expanded into other fields.

Southern University (1880)

Higher education for Negroes in Louisiana got its

¹⁶Constitution of the State of Louisiana, op. cit., p. 225.

start with the establishment of Southern University at New Orleans in 1880. The General Assembly of the State of Louisiana chartered the institution and the first session was begun in March, 1881 with twelve students. Private citizens raised the necessary funds to purchase the first building. In 1882 the State Constitution provided for an annual state appropriation of \$10,000; this provision was removed in 1919.

The Second Morrill Act of the federal government in 1890 paved the way for Southern to become a Land-Grant College. In 1888 the University established an Agricultural and Mechanical Department and in 1892 the institution was recognized as a Land-Grant College. As Southern University grew it was necessary to find a new site for the academic buildings as well as the agricultural research land. In 1912 the Board of Trustees was authorized to sell the New Orleans property and move the University to the present site at Scotlandville near Baton Rouge. Southern University was controlled by a Board of Trustees appointed for this purpose. This separate Board governed Southern until a constitutional amendment in 1921 placed the institution under the control of the State Board of Education.

At present the Southern University is one of the largest Negro universities in the nation. The University now is spread over three sites totaling 898 acres. The faculty has over 400 full-time members and the student body numbered 5,703 degree-credit students for the 1962-63 fall semester. The physical plant is valued at \$25,000,000 with 110 structures.

Louisiana Polytechnic Institute (1895)

During the early 1890s it became apparent that higher education for women was a most desirable aspect of the total educational program of the state. The Normal School was the only public institution which trained college age women and this was in the field of teacher education. The president of Normal requested funds from the Legislature in 1892 and 1894 to establish an industrial arts program for women, but his efforts failed. At this same time the northeast Louisiana state legislators began maneuvering for a college in their part of the state. Act 65 of the General Assembly of Louisiana established an industrial school at Ruston called the Louisiana Industrial Institute. In September of 1895 the school opened for classes with six instructors and 202 students. The campus of twenty

acres was donated by the town of Ruston. In 1921 the institution was given the name of Louisiana Polytechnic Institute.

The school has grown to have a campus with sixty buildings on 167 acres, a demonstration farm of 365 acres, and forest land of 157 acres. The faculty numbers over 235 and the student body enrollment was 3,916 degree-credit students for the fall semester of 1962. In addition to the undergraduate program, the Graduate School was authorized in 1958 to award degrees through the Master's level.

University of Southwestern Louisiana (1898)

The General Assembly of the State of Louisiana established in 1898 at Lafayette the Southwestern Industrial Institute. The name has since been changed twice, in 1921 to the Southwestern Louisiana Institute of Liberal and Technical Learning and in 1960 to the University of Southwestern Louisiana.

Today the campus and outlying farms comprise 736 acres. Farm demonstration work is predominantly in floriculture, horticulture, and animal industry. Some land is used for food production, dairy and poultry farming. The institution

has six undergraduate colleges: Liberal Arts, Education, Agriculture, Engineering, Nursing and Commerce. The Graduate School provides Master's Degree programs in education, bacteriology, biology, chemistry, geology, mathematics, physics, and engineering. The enrollment of degree-credit students for the fall semester of 1962 was 5,969.

Grambling College of Louisiana (1901)

The need for teaching people better ways of living brought about the establishment of an industrial school for Negroes in northeast Louisiana. Sponsored by the Farmers' Relief Association of Ruston, the school opened in 1901 with three faculty members. The present location is five miles west of Ruston, only two miles from the original site. The school started as a private venture but was turned over to the Parish School Board and became the Lincoln Parish Training School.

In 1928 the school became a state junior college used for training teachers though there are no records of financial aid until 1934. A four-year program was established in 1940 for elementary teachers and in 1948 for high school teachers. In 1954 degree programs were authorized in liberal arts and applied sciences and technology.

The current campus covers 340 acres with thirty buildings. The faculty numbers approximately 170 and the student body was over 3,000 during the 1962-63 term.

Southeastern Louisiana College (1925)

Hammond Junior College was established in 1925 by the citizens of the southern half of Tangipahoa Parish. In 1928 the Junior College became Southeastern Louisiana College and was made a part of the state college system under the State Board of Education. In the two years of 1928 and 1929 the state allocated approximately \$30,000 to the new college for capital outlay and provided an operating budget of about \$16,000 per year. The program was authorized but did not materialize until 1937. The institution was given constitutional status in 1938.

The main campus has expanded from the original fifteen acres to the present 375. The Hammond Air Field of 750 acres was acquired from the federal government in 1945 and is now used for agricultural teaching and research. In 1961 a graduate program was approved for the degree of Master of Education and Master of Arts in Education. The school has a faculty of 150 and had a student body numbering slightly over 3,000 in 1962-63.

Northeast Louisiana State College (1931)

Ouachita Parish Junior College in Monroe opened in September of 1931 with eleven faculty members and 325 students. The College was a part of the parish school system. By an act of the Legislature in 1934 Louisiana State University was charged with the responsibility of the school. At that time the school was named the Northeast Center of Louisiana State University but was changed in 1939 to Northeast Junior College of LSU.

The State Legislature again changed the governing authority to the State Board of Education in 1950. This Board authorized the college to offer a four-year program and named the school Northeast Louisiana State College. The Nursing and Graduate Schools have just recently been established. The College has a faculty of approximately 153 and had an enrollment of 3,315 degree-credit students in 1962-63.

McNeese State College (1939)

The Lake Charles Junior College began as a division of Louisiana State University in 1939 with 154 students. In 1940 the LSU Board changed the name to John McNeese Junior College. The original site of eighty acres of land

was given by the Calcasieu Parish Police Jury.

The institution was placed under the authority of the State Board of Education in 1950 and was made a four-year college. McNeese State College was granted accreditation in 1954 by the Southern Association of Colleges and Secondary Schools. Additional land of 280 acres was acquired in 1956; this along with the original eighty acres provided space for agricultural laboratory work. The graduate program leading to the degree of Master of Education was established in 1960. The current faculty has approximately 150 members and the student body numbered 3,031 in the fall of 1962.

Francis T. Nicholls State College (1948)

In September, 1948, LSU opened a Junior College in Thibodaux. Eight years later the Legislature established the Francis T. Nicholls State College and placed it under the control of the State Board of Education. The College owns 175 acres of land and is developing curricula as rapidly as possible. Free bus service to the school is provided by the six adjoining parishes. There were no dormitories on the campus as of the 1962-63 session, and the enrollment was 1,228 degree-credit students.

Controlling Authorities of Public Institutions

Public institutions of higher learning have been governed by various state agencies. As each institution was founded, a separate board of trustees was established for each school. T. H. Harris, long-time Superintendent of the State Department of Education, recommended time and time again that one authority have jurisdiction over the colleges and universities. In 1921 the State Constitution consolidated all public-controlled institutions except Louisiana State University under the supervision of the State Board of Education, an elected body. At that time the following schools came under the State Board: Northwestern State College, Southern University, Louisiana Polytechnic Institute, SUniversity of Southwestern Louisiana. Other institutions were added as follows: Grambling College and Southeastern Louisiana College in 1928, Northeast Louisiana College and McNeese State College in 1950, and Francis T. Nicholls State College in 1956.

Louisiana State University and its branches have always had a separate Board of Supervisors to govern the affairs of this most complex institution of the state. The present Board structure was established in the Constitution in 1940. The Board consists of fourteen members

appointed by the Governor for fourteen-year staggered terms.

Private and Religious Institutions of Higher Education

Tulane University. Tulane dates back to 1834 when a group of doctors in New Orleans founded the Medical College of Louisiana. The General Assembly of Louisiana established the University of Louisiana in 1847 and the Medical College was incorporated within this new university. The University of Louisiana got little financial aid from the state and never became very effective. When Paul Tulane provided an endowment of over a million dollars to Tulane University the State Legislature turned over to Tulane in 1884 all the property belonging to the University of Louisiana.

In 1886 Newcomb College was founded and became a part of Tulane University. Today Newcomb is a separate college but is coordinated within the Tulane system. All Colleges and Schools of Tulane are coeducational with the exception of Newcomb and the Arts and Sciences College for men. The faculty of today numbers approximately 800 full-time members and the student body had 7,107 degree-credit students in 1962-63.

Centenary. The State of Louisiana established a college at Jackson, Louisiana, in 1825. When the College of Louisiana was abandoned in 1845, the Methodist Church acquired the buildings and opened Centenary College of Louisiana. In 1908 the College was moved to Shreveport. The student body numbered 1,664 during the 1962-63 session.

Loyola University. A Jesuit academy and college was established in New Orleans in 1904 and called Loyola College. In 1911 the College of Immaculate Conception was united with Loyola and the General Assembly of Louisiana recognized the new institution as Loyola University. The student body in the 1962-63 session numbered 2,718.

Louisiana College. Two Baptist-controlled schools, Mt. Lebanon University and Keatchie Female College were combined in 1906 into the present Louisiana College located at Pineville, Louisiana. The enrollment was 1,044 for the 1962-63 session.

St. Mary's Dominican. In 1910 a Catholic Liberal Arts College for women was established in New Orleans. St. Mary's Dominican had an enrollment of 418 in the 1962-63 session.

Dillard College. The merger in 1935 of two Negro institutions, New Orleans University and Straight College, resulted in the establishment of Dillard College. Located in New Orleans and operated by the Methodist Episcopal and Congregational Churches, Dillard had an enrollment of 882 in the 1962-63 session.

Xavier University. When Southern University was moved from New Orleans to Scotlandville in 1914, the Catholic Church acquired the vacant buildings and opened a high school for Negroes. In 1925 a Teacher's College was added, and continued expansion took place in 1927 with a College of Pharmacy. The 1962-63 enrollment was 800.

Other Religious Colleges. New Orleans Baptist Theological Seminary had a 1962 enrollment of 726, Notre Dame Seminary had a 1962 enrollment of 138, Our Lady of Holy Cross had 102 students in 1962, and St. Joseph's Seminary had 71 students.

Today there are twenty-one institutions of higher learning in Louisiana. Eleven of these institutions are controlled by state agencies. The other ten are controlled by private and religious groups. During the academic year 1962-63 there were 66,692 degree-credit

students enrolled in all institutions. The public institutions of higher learning enrolled 76 per cent of the total college students. Future projections indicate that an even greater percentage of all students will have to be educated in the public-controlled institutions in Louisiana.

CHAPTER III

FINANCING HIGHER EDUCATION IN LOUISIANA SINCE 1940

Chapter II describes a background of substantial progress for higher education in Louisiana. The rapid expansion of enrollment and financial support of Louisiana State University in the 1930s developed into a situation that questioned the integrity of all higher educational administration in Louisiana. The "Scandal of 1939" was to plague the prestige of higher education in Louisiana throughout the 1940s.

The newly-elected governor in 1940 revamped the entire LSU Board of Supervisors. A new University administration, under the leadership of Acting-President Paul M. Hebert and Comptroller Troy H. Middleton, set out to make LSU one of the leading universities in the South. Within a decade, this ambition was being fulfilled.

General Growth of Public Higher Education

Public institutions of higher learning received in the early years of the 1940s financial support from state revenue relatively greater than in any period since that time. In 1941-42 public higher education received 11.3 per

cent of all state government expenditures supported from state-level revenue. The highest percentage reached since that time was in 1962-63 when 9.48 per cent of state-level expenditures went to higher education.

Reviewing the programs of higher education during the war and immediate post-war years reveals several reasons why state support for higher education reached the low level of 4.9 per cent of state expenditures in 1948-49.

While the college-age population was predominantly engaged in the war effort, institutions of higher education had to mark time for the lack of students and teachers. This situation, of course, reduced the need for financial support to colleges and universities. Little could be done to prepare for the thousands of students who were sure to come after the war because the building materials and the labor force needed for construction were unavailable.

In 1948 Governor Earl K. Long was successful in increasing state taxes significantly. Tax revenue increased from \$142 million in 1947-48 to \$277 million in 1948-49. The welfare program of the state and public elementary and secondary education received the vast majority of the additional state funds. Higher education's share of state

revenue decreased from 8.1 per cent in 1947-48 to 4.9 per cent the following year.

As the veterans returned to the college campuses, a heavy flow of federal money poured into higher educational institutions. These federal funds continued for five or six years after the war. The revenue from the Veterans Administration relieved the state governments to some extent of their responsibility for financing higher education. This resulted in a larger percentage of state revenue being channeled into other state government programs.

The early 1950s saw the state receive windfalls from oil and gas royalties and bonuses from land leases. Higher education had a difficult time competing with the demands of public schools, welfare, and highway programs; some of these programs were eligible to receive federal assistance if the state would provide matching amounts. It was not until 1961 that state support for higher education in Louisiana again reached nine per cent of state expenditures. Currently higher education appears to be receiving very serious consideration from state legislators and government officials. Needs, however, are still well ahead of

financial support for public higher education.

Table II shows total state financial support for all education and for the ten institutions of higher education in Louisiana from 1940 to 1963.

Expenditures for public higher education were relatively highest for the period in 1941-42. During the war years the per cent of state revenue decreased to 7.3 per cent. When total state revenue increased over fifty per cent in 1948-49, the per cent going to higher education decreased to 4.9 per cent -- the lowest for the twenty-two-year period. From 1948-49 to the present time, state expenditures going to higher education have increased from 4.9 per cent to 9.48 per cent in 1962-63; this is an increase of 4.58 percentage points over a period of fourteen years.

In comparing the growth of state expenditures for higher education with those for total public education, one finds that the latter has received an increase of 11.67 percentage points since 1948-49 whereas the increase for higher education has been only 4.58 percentage points. Even though the public schools have had a large increase in enrollment since 1948, the gain over higher education in the proportion of state revenue can be attributed to superiority of political

TABLE II

State Revenue Appropriated to Public Higher Education
in Louisiana - 1940-1963
(Federal Grants and Special Funds Excluded)
(Thousands of dollars)

Year	Total State Revenue	All Education		Higher Education	
		Amounts	Percentage	Amounts	Percentage
1940-41	80,590	25,321	31.42	9,031	11.2
1941-42	84,554	26,096	30.86	8,441	11.3
1942-43	75,466	26,804	35.52	7,754	10.3
1943-44	84,229	31,088	36.91	8,271	9.8
1944-45	89,289	29,409	32.94	6,555	7.3
1945-46	86,398	30,407	35.19	7,641	8.8
1946-47	113,366	42,085	37.12	10,483	9.2
1947-48	142,177	48,686	34.24	11,482	8.1
1948-49	276,984	77,215	27.88	13,452	4.9
1949-50	243,980	84,526	34.64	14,171	5.8
1950-51	259,347	90,526	34.91	15,875	6.12
1951-52	272,338	95,995	35.25	17,756	6.54
1952-53	293,737	113,528	38.65	22,375	7.62
1953-54	309,799	118,532	38.26	23,155	7.47
1954-55	356,817	140,159	39.28	27,970	7.84
1955-56	395,103	150,227	38.02	30,900	7.82
1956-57	463,582	190,675	41.13	34,443	7.43
1957-58	459,442	204,207	44.45	38,354	8.35
1958-59	456,191	206,842	45.34	40,934	8.97
1959-60	553,167	238,691	43.15	48,741	8.81
1960-61	551,605	251,625	45.62	52,105	9.45
1961-62	599,376	264,560	44.14	53,913	8.99
1962-63	566,058	262,125	46.31	53,676	9.48

Source: State of Louisiana, Financial Reports, Division of Administration Budget Office.
State of Louisiana, Annual Reports on Higher Education, State Department of Education.

strength rather than a greater justification for funds.

Louisiana State University's Relative Position

Table III presents a statistical story of what happened within higher education since 1940. This period started with seven institutions of higher education. Today we have ten separate schools and two new branches of the Louisiana State University, as well as one new branch of Southern University.

LSU has lost considerably in its position of state support since the beginning of World War II. In 1941-42 the University received sixty-two per cent of all state expenditures going to public higher education in Louisiana, and in 1962-63 received forty-nine per cent of higher education state dollars.

One might argue that this decline in relative support is justified because the enrollment at other institutions has grown relative to the enrollment of Louisiana State University. The following facts, however, do not fully support this position. Table IV shows that enrollment at Louisiana State University since 1940-41 increased by 100 per cent while enrollment at other institutions increased by 292 per cent. State appropriations to Louisiana State University for the same period increased by 373 per cent

Table III

State Revenue Appropriated to LSU and Other Public
Institutions of Higher Education in Louisiana - 1940-63
(Federal Grants and Special Funds Excluded)
(Thousands of dollars)

Year	State Revenue Louisiana State to Higher University Education Amount Percentage			Other Institutions of Higher Education Amount Percentage	
1940-41	9,031	5,576	61.7	3,455	38.3
1941-42	8,441	5,430	64.3	3,011	35.7
1942-43	7,754	4,947	62.2	2,807	37.8
1943-44	8,271	5,698	65.3	2,573	34.7
1944-45	6,555	3,716	56.7	2,840	43.3
1945-46	7,641	4,241	55.5	3,400	44.5
1946-47	10,483	6,410	61.1	4,073	38.9
1947-48	11,482	7,420	64.4	4,062	35.4
1948-49	13,453	8,469	63.0	4,984	37.0
1949-50	14,171	9,198	64.8	4,973	35.2
1950-51	15,875	9,479	59.7	6,396	41.3
1951-52	17,756	10,206	57.5	7,550	42.5
1952-53	22,375	11,513	51.5	10,863	48.5
1953-54	23,155	12,146	52.5	11,009	47.5
1954-55	27,970	14,747	52.7	13,223	47.3
1955-56	30,900	16,015	51.8	14,885	48.2
1956-57	34,443	15,802	45.9	18,641	54.1
1957-58	38,354	17,767	46.3	20,588	53.7
1958-59	40,934	19,149	46.8	21,785	53.2
1959-60	48,741	22,846	46.9	25,895	53.1
1960-61	52,105	25,154	48.3	26,951	51.7
1961-62	53,913	26,377	48.9	27,536	51.1
1962-63	53,676	26,358	49.2	27,318	50.8
Percentage Increase 1940-63		373		691	

Source: State of Louisiana, Financial Reports, Division of
Administration Budget Office.

Table IV

Enrollments in Institutions of Higher Learning in Louisiana

Year	Enrollment	Louisiana State University		Other Institutions	
		Number	Percentage	Number	Percentage
* 1940-41	16,730	8,342	49.8	8,388	50.2
+ 1947-48	22,603	11,129	49.5	11,474	50.5
+ 1952-53	20,872	7,836	37.5	13,036	62.5
+ 1957-58	33,377	10,258	30.7	23,119	69.3
⊕ 1962-63	49,554	16,708	33.7	32,846	66.3
Percentage Increase					
1940-63		100		292	

Source: * Louisiana State Department of Education, Annual Report, 1940-41, Bulletin No. 458.

+ U. S. Department of Health, Education, and Welfare, Statistics of Higher Education, 1957-58, Office of Education, Washington, D. C., 1961.

⊕ Registrar's Office, Louisiana State University, and State Department of Education, Division of Higher Education.

while appropriations to other colleges increased by 691 per cent. (See Table III.) These figures show that institutions other than Louisiana State University have received an increase of 399 percentage points greater appropriation than the percentage increase in enrollment. Louisiana State University received an increase of 273 percentage points greater appropriations than percentage increase of enrollment. Add to this the fact that only thirty-five per cent of all Louisiana State University expenditures are used for undergraduate educational purposes. In view of this financial history, one can see that state financial support to Louisiana State University has declined since 1940 in relation to the demands placed upon the University for all educational, research and public service activities.

It is also significant to observe the financial support provided the individual state colleges and universities under the control of the State Board of Education.

The Division of Research in the College of Business Administration of Louisiana State University made a study in June, 1963, of the state support of public institutions of higher learning. Listed on the following page are the changing percentages of state revenue going to the various

schools for 1950-51 and 1961-62:

School	Per Cent of Hi. Ed. in 1950-51	Per Cent of Hi. Ed. in 1961-62	Per Cent Change in 11 Years
Grambling	2.67	4.92	+ 2.85
Nicholls	0	2.10	+ 2.10
Louisiana Tech	8.20	7.23	- .97
LSU	59.7	48.9	-10.78
McNeese	1.41	4.10	+ 2.69
Northeast	1.34	4.37	+ 3.03
Northwestern	6.58	5.64	- .94
Southeastern	4.30	4.02	- .28
Southern	6.60	9.51	+ 2.91
Southwestern	9.19	9.18	- .01

These figures show that the older state colleges lost a small percentage of state support as the new institutions were established and expanded. Moreover, it was the State University that lost the vast majority of state revenue going to the newer colleges.

Income and Expenditures of Higher Education

An analysis of the sources of income for institutions of higher education in Louisiana shows that the only significant variation among institutions is funds from the federal government. LSU receives considerable support from the federal government. Most of this support is related to agriculture, either for research or extension services. Table V shows that student fees are approximately the same percentage level of income for all institutions.

Expenditures among the institutions vary much more than sources of revenue. (See Tables VI and VII.) The University spends eleven per cent of expenditures for general and administrative expenses; the other institutions as a group spend twenty-two per cent for this purpose. In this area of expenditures the larger institutions spend a lower relative amount than smaller schools.

Louisiana State University spends relatively less on instruction than the other schools -- approximately thirty-eight per cent of the University's educational and general expenditures go to organized research and extension. Very little is spent in these areas at other institutions. The nine separate institutions spend approximately thirteen per cent on operations and maintenance while Louisiana State University spends nine per cent for similar purposes. The smaller schools, however, have improved their efficiency in plant maintenance. During the past ten years, the percentage of expenditures for operations and maintenance has decreased from twenty to thirteen per cent.

Table V

Sources of Educational and General Income
Public Institutions of Higher Education in Louisiana
(In thousands of dollars)

	Total	State Government		Federal Government		Local Government		Student Fees		Related Sales, Svc.		Misc.	
	Amount	Per Cent	Amount	%	Amount	Per Cent	Amount	%	Amt.	%	Amt.	%	
Louisiana State University													
1953-54	13,759	10,463	76%	1,545	11%	-		682	5%	840	6%	229	2%
1957-58	20,869	15,418	75%	2,944	14%	-		885	4%	649	4%	576	3%
1961-62	31,777	22,191	70%	5,325	17%	316	1%	1,563	5%	1,153	3%	1,229	4%
Other Institutions													
1953-54	10,861	10,033	92%	203	2%	36	.3%	340	3%	111	1%	138	2%
1957-58	20,618	18,733	91%	27	.1%	241	1%	738	4%	605	3%	274	1%
1961-62	27,710	24,895	90%	19	.07%	486	2%	1,294	5%	912	3%	104	.4%

Source: Louisiana State University, Financial Report, 1953-54, 1957-58, 1961-62.

State of Louisiana, Annual Reports on Higher Education, State Department of Education. 80

Table VI

Educational and General Expenditures
Public Institutions of Higher Education in Louisiana
(In thousands of dollars)

	Total	General and Adm.	Related Activities	Instruction	Libraries	Operation & Maint.	Extension Public Svc.	Organized Research
Louisiana State University								
1953-54	13,018	1,108	288	4,544	497	1,185	2,724	2,672
1957-58	20,867	1,923	434	6,979	804	2,175	3,873	4,679
1961-62	31,777	3,418	313	11,824	1,176	2,964	5,357	6,725
Other In- stitutions								
1953-54	9,787	1,745	145	5,416	425	1,986	70	-
1957-58	19,717	3,822	413	10,951	823	3,599	109	-
1961-62	26,258	5,607	308	15,542	1,246	3,505	50	-

Source: Louisiana State University, Financial Report, 1953-54, 1957-58, 1961-62.
State of Louisiana, Annual Reports on Higher Education, State Department of Educa-
tion.

Table VII

Educational and General Expenditures
Public Institutions of Higher Education in Louisiana
(Percentages)

	General and Adm.	Related Activities	Instruction	Libraries	Operation & Maint.	Extension Public Svc.	Organized Research
Louisiana State University							
1953-54	9%	2%	35%	4%	9%	21%	20%
1957-58	9%	2%	33%	4%	11%	19%	22%
1961-62	11%	1%	37%	4%	9%	17%	21%
Other Institutions							
1953-54	18%	2%	55%	4%	20%	1%	-
1957-58	19%	2%	56%	4%	18%	1%	-
1961-62	22%	1%	59%	5%	13%	-	-

Source: Louisiana State University, Financial Report, 1953-54, 1957-58, 1961-62.

State of Louisiana, Annual Reports on Higher Education, State Department of Education.

Capital Outlay for Louisiana Institutions of Higher Education, 1952 to 1963

The requirements for additional physical facilities during the past eleven years reached 139.7 million dollars. Table VIII consolidates the eleven years of expenditures by institution and source of funds. Institutions other than L.S.U., received 70.5 million dollars, slightly over fifty per cent of the total. In 1951 the cost value of the total plant for institutions other than Louisiana State University was 25.3 million dollars; the physical facilities have been increased by 178 per cent. Enrollment during this same period increased by 152 per cent.

Louisiana State University's physical plant was valued at 33.8 million dollars in 1951. For four campuses and the fourteen agricultural experiment stations the increase in plant is 69.2 million dollars or an increase of 204 per cent. The enrollment since 1952 at L.S.U., has increased by 113 per cent. In comparing Louisiana State University's program with other colleges and universities in Louisiana, one must keep in mind that approximately thirty-seven per cent of L.S.U.'s budget is not related to resident enrollment.

Sources of income for capital outlay should receive

Table VIII

Capital Outlay for Institutions
of Higher Education in Louisiana
1952 to 1963 (11-Year Total)
(Thousands of dollars)

Institution	11-Year Total	State Approp.	Building Authority	Revenue Bonds	General Univ. Bonds	Current Univ. Funds	Bond & Bldg. Commission
Louisiana State University	69,231	10,719	5,932	15,405	14,350	19,507	3,318
Northwestern State	5,586	666	1,055	2,349	-	165	1,350
La. Polytechnic Institute	5,667	853	1,220	2,887	-	-	707
University of Southwestern	9,521	1,990	2,105	4,076	-	-	1,350
Southeastern State	7,299	1,972	1,543	2,984	-	-	800
Southern University	18,187	4,889	6,620	4,829	-	-	1,849
Grambling State	10,074	2,239	4,718	2,717	-	-	400
McNeese State	5,822	2,087	1,375	1,230	-	-	1,130
Northeast State	4,949	948	604	2,272	-	-	1,125
Nicholls State	3,484	1,744	-	-	-	-	1,740
Grand Total	139,820	28,107	25,172	38,749	14,350	19,672	13,769

Source: Louisiana State University, Financial Report, 1952-1961.

Louisiana State Department of Education, Office of College Plants, unpublished material for the years 1952 to 1963.

*Figures for 1962-63 are estimates.

careful analysis. Of the total 139.8 million dollars of expansion since 1952, revenue bonds have been issued for 38.7 million or approximately 28 per cent.

Capital outlay for dormitories, cafeterias, student centers and athletic facilities, usually referred to as auxiliary enterprises, is being financed more and more from revenue bonds. These facilities have dependable revenues, and building funds can be obtained through the sale of bonds. The state colleges have only in recent years gone to this method of financing revenue-producing facilities. The older institutions are in a better position to issue revenue bonds than are the newer schools. Older schools have revenue-producing facilities that were constructed with state funds. The revenue from these facilities can be used in supporting bonds for new plant needs. This additional revenue adds to the stability of the bond issue and thereby receives a lower interest rate. Also, for the older institutions, revenue from debt-free facilities can be used in supporting the new buildings spreading the cost over a larger number of students. Room units and meal costs can then be lower than similar services at the newer schools.

State government bond issues have provided the largest source of higher educational capital outlay. The Louisiana Building Authority was established during the Kennon administration of 1952-56. This governmental body provided higher education with twenty-five million dollars from state bond sales. In 1960 the Davis administration created the Bond and Building Commission which was authorized to issue sixty million dollars worth of bonds for construction at the various state institutions. Higher education was scheduled to receive approximately fifty million dollars. As of June, 1963, only 13.7 million dollars had actually been expended for higher educational construction. Considerably more has been ear-marked for use by colleges and universities but the amount does not approximate fifty million.

In the early 1950s L.S.U. sold 14.3 million dollars worth of bonds supported by dedicated revenue from the Ad Valorem and Horse Racing Taxes. These funds were used to complete the athletic stadium, to expand the Medical School and to provide academic space on the Baton Rouge campus.

State appropriations are channeled into construction in two ways. Direct appropriations by the Legislature are

made for buildings at specific schools. L.S.U., is permitted to transfer operating funds into the plant fund account. Of the twenty-eight million dollars received from current state funds over the eleven-year period, Louisiana State University received 10.7 million dollars and all other institutions received 17.3 million. Most of L.S.U.'s capital funds from current state revenue have been transferred from regular operating accounts.

The Channel of Tax Appropriations to Public Institutions of Higher Education

All state tax appropriations to institutions other than Louisiana State University go through the State General Fund. Upon the recommendation of the State Board of Education, the Legislature appropriates annually from the General Fund operating and maintenance funds.

Louisiana State University's annual budget is supported by revenue primarily through the State General Fund. The following taxes are dedicated by certain amounts to L.S.U.:

A. Constitutionally dedicated:

a. Ad Valorem Tax, Half Mill	\$1,000,000
b. Excise License Insurance Tax	1,000,000

B. Statutorially dedicated:

a. Corporation Franchise Tax	1,567,000
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b. Tobacco Tax	1,000,000
c. Horse Racing Tax, Agriculture, and Capital Construction. (Has not reached maximum amount in recent years.)	880,000
d. Feed and Fertilizer Tax, Bond Redemption	53,298

Annual appropriations from the General Fund are made to the University after approval by the Louisiana State University Board of Supervisors, the State Budget Committee and the State Legislature.

Summary

Public higher education in Louisiana grew from seven separate institutions in 1940 to ten in 1962; state expenditures going to these colleges and universities increased from \$9 million to \$53 million over the twenty-three year period. Enrollment to public institutions rose from 16,730 students in 1940 to 49,554 students in 1962.

In spite of the absolute growth in state dollars spent on higher education, the percentage of state expenditures going to higher education is not as high as it was in 1940; the percentage, however, has increased each year since 1949.

As the newer institutions expanded their programs and facilities in the 1950s, LSU suffered a decline in percentage of higher educational expenditures of the state; the

extent of this decline was not justified by enrollment changes.

This chapter has analyzed higher education within the state of Louisiana. In the following chapter we will compare Louisiana's efforts in public higher education with those of seven other states.

CHAPTER IV
INCOME AND EXPENDITURES FOR PUBLIC HIGHER EDUCATION -
COMPARISON OF EIGHT SELECTED STATES,
1947-48 to 1957-58

Even though other states may or may not be supporting public higher education adequately, a comparison of efforts by the various states is about the best measuring rod one has for determining how well or how poorly an individual state is financing higher education.

Tables II through XVI show many aspects of the financing of higher education. By making certain comparisons, it is possible to determine Louisiana's relative position in relation to other states in the financing of public higher education.

Seven other states were selected on the basis of population, personal income and similarity in economies. Tables IX and X show that Louisiana is in the lowest position among the eight states which are compared in percentage of state expenditures on public higher education. The states ranked in the following order in 1957-58: Minnesota, 11 %; Oklahoma, 7.9%; Alabama, Maryland and

the United States average, 7.4%; Kentucky and Tennessee, 6.8%; Florida, 5.9%; and Louisiana, 5.7%.

As shown in Table X, Louisiana has had a decrease in relative state support to higher education since 1940. Kentucky is the only state among the seven that had a greater relative decrease in state expenditures for higher education. Even though Louisiana ranked lowest in percentage of state expenditures going to higher education, the state ranked second in absolute amounts expended on higher education. By eliminating federal funds from Louisiana state expenditures, the percentage of state-level support to higher education improves; in 1957-58, Louisiana spent 8.5 per cent of state-level expenditures on higher education. Federal funds in Louisiana are spent predominantly on welfare, highways, and public schools.

Table XI shows that Louisiana received a smaller percentage of income from the federal government than did any of the other seven states; this fact helps explain the state's low position in relative state support of higher education from all sources of income.

Percentage of Personal Income Going to Public Higher Education

Louisiana's position as to personal income going to

Table IX

Population, Personal Income, Total State Expenditures, and
State Expenditures on Higher Education - Eight Selected States
(In thousands)

State	Year	Population ²	Personal ² Income	Total ² State Expenditures	Educational and General ¹ Expenditures on Higher Education
Alabama	1939-40	2,833	\$ 801,000	\$ 62,861	\$ 4,922
	1947-48	2,901	2,542,000	150,938	13,547
	1953-54	3,001	3,239,000	296,496	22,328
	1957-58	3,164	4,364,000	458,222	34,101
	1959-60	3,267	4,607,000	565,342	41,811
Florida	1939-40	1,897	982,000	66,499	2,911
	1947-48	2,430	3,053,000	199,920	11,053
	1953-54	3,300	5,342,000	342,661	23,597
	1957-58	4,515	8,334,000	641,168	37,657
	1959-60	4,952	9,273,000	764,831	51,470
Kentucky	1939-40	2,846	914,000	59,902	4,970
	1947-48	2,856	2,719,000	131,235	11,076
	1953-54	2,978	3,594,000	247,904	15,953
	1957-58	3,087	4,303,000	361,556	24,483
	1959-60	3,038	4,548,000	439,419	31,936

Table IX (cont'd.)

State	Year	Population ²	Personal ² Income	Total ² State Expenditures	Ed. and General ¹ Expenditures on Higher Education
Louisiana	1939-40	2,364	\$ 861,000	\$ 97,627	\$ 6,300
	1947-48	2,591	2,601,000	211,866	14,769
	1953-54	2,882	3,742,000	449,213	23,500
	1957-58	3,107	4,901,000	716,681	40,765
	1959-60	3,257	5,169,000	829,994	52,134
Maryland	1939-40	1,821	1,309,000	61,732	3,377
	1947-48	2,155	3,309,000	139,269	10,726
	1953-54	2,601	5,079,000	281,762	21,020
	1957-58	2,961	6,566,000	463,222	34,247
	1959-60	3,101	7,108,000	491,234	43,329
Minnesota	1939-40	2,792	1,467,000	112,571	10,250
	1947-48	2,934	4,028,000	201,989	24,832
	1953-54	3,132	5,169,000	352,882	41,419
	1957-58	3,342	6,468,000	535,040	58,867
	1959-60	3,414	6,660,000	631,621	75,328

Table IX (cont'd.)

State	Year	Population ²	Personal ² Income	Total ² State Expenditures	Ed. and General ¹ Expenditures on Higher Education
Oklahoma	1939-40	2,336	\$ 867,000	\$ 80,050	\$ 6,681
	1947-48	2,295	2,359,000	191,959	15,958
	1953-54	2,171	3,159,000	314,614	25,530
	1957-58	2,252	3,975,000	432,667	34,364
	1959-60	2,328	4,138,000	457,316	41,810
Tennessee	1939-40	2,916	995,000	61,544	3,500
	1947-48	3,179	3,006,000	188,868	10,531
	1953-54	3,362	4,038,000	306,380	16,844
	1957-58	3,468	4,992,000	423,499	28,914
	1959-60	3,567	5,362,000	494,351	34,912
United States	1957-58	175,404	354,155,000	28,080,313	2,077,565

Source: ¹U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1939-40, 1947-48, 1953-54, 1957-58.

²U. S. Bureau of the Census. Compendium of State Government Finances: 1940, 1948, 1954, 1958, 1960.

higher education is well above the national average of .59 of one per cent. (See Table X.) In 1957-58, Louisiana spent .83 of one per cent of personal income for public higher education. Of the eight states compared in Table X, Louisiana had the third best percentage of personal income going to higher education. Yet, six of the eight states have improved the position of public higher education in relation to personal income more than has Louisiana since 1940. Maryland, with .26 of one per cent, had the largest increase in the percentage of personal income devoted to higher education; Louisiana's increase was .1 of one per cent.

Per Capita Income Going to Public Higher Education

In 1957-58 Louisiana spent \$13.12 per capita on public higher education. Louisiana ranked third among the eight states reviewed in Table X. Minnesota and Oklahoma were ahead of Louisiana in per capita income going to public higher education with \$17.61 and \$15.26, respectively. Louisiana was also in third position in improvement since 1940 with a \$10.46 per capita increase.

Amounts Per Student in Public Higher Education

Table X shows that Louisiana ranked fifth in the

Table X
Percentage of State Expenditures to Public Higher Education,
Percentage of Personal Income to Public Higher Education,
Per Capita Income to Public Higher Education, and
Average Expenditure Per Student in Public Higher Education -
Eight Selected States

State	Year	Enrollment ¹ in Public Inst. Hi.Ed.	Per Cent of ² Total Exp. to Public Hi. Ed.	Per Cent of ² Personal In- come to Pub- lic Hi. Ed.	Dollar Per ^{1,2} Capita Income to Public Hi. Ed.	Amount Per ¹ Student in Public Hi. Ed.
Alabama	1939-40	14,234	7.8	.61	\$ 1.74	\$ 346
	1947-48	25,734	9.0	.53	4.67	526
	1953-54	22,744	7.5	.67	7.44	982
	1957-58	24,900	7.4	.78	10.78	1,370
Florida	1939-40	6,501	4.4	.30	1.53	448
	1947-48	16,954	5.5	.36	4.55	652
	1953-54	21,095	6.9	.44	7.15	1,119
	1957-58	27,813	5.9	.45	8.34	1,354
Kentucky	1939-40	14,864	8.3	.54	1.75	334
	1947-48	21,299	8.4	.41	3.88	520
	1953-54	19,394	6.4	.44	5.36	823
	1957-58	24,434	6.8	.57	7.93	1,002

Table X (cont'd.)

State	Year	Enrollment ¹ in Public Inst. Hi.Ed.	Per Cent of ² Total Exp. to Public Hi. Ed.	Per Cent of ² Personal In- come to Pub- lic Hi. Ed.	Dollar Per ^{1,2} Capita Income to Public Hi. Ed.	Amount Per ¹ Student in Public Hi. Ed.
Louisiana	1939-40	16,989	6.5	.73	\$ 2.66	\$ 371
	1947-48	23,746	7.0	.57	5.70	622
	1953-54	25,154	5.0	.63	8.15	934
	1957-58	33,176	5.7	.83	13.12	1,229
Maryland	1939-40	6,985	5.5	.26	1.85	483
	1947-48	15,711	7.7	.32	4.98	683
	1953-54	21,717	7.5	.41	8.08	968
	1957-58	25,416	7.4	.52	11.57	1,347
Minnesota	1939-40	24,821	9.1	.70	3.67	413
	1947-48	39,145	12.3	.62	8.46	634
	1953-54	28,935	11.7	.80	13.22	1,431
	1957-58	36,040	11.0	.91	17.61	1,633
Oklahoma	1939-40	28,386	8.4	.77	2.86	235
	1947-48	37,170	8.3	.68	6.95	429
	1953-54	31,416	8.1	.81	11.74	813
	1957-58	37,568	7.9	.86	15.26	915

Table X (cont'd.)

State	Year	Enrollment ¹ in Public Inst. Hi.Ed.	Per Cent of ² Total Exp. to Public Hi. Ed.	Per Cent of ² Personal In- come to Pub- lic Hi. Ed.	Dollar Per ^{1,2} Capita Income to Public Hi. Ed.	Amount Per ¹ Student in Public Hi. Ed.
Tennessee	1939-40	10,877	5.7	.35	\$ 1.20	\$ 322
	1947-48	22,515	5.6	.35	3.31	468
	1953-54	21,996	5.5	.42	5.01	766
	1957-58	28,642	6.8	.58	8.34	1,010
United States	1957-58	1,621,400	7.4	.59	11.84	1,323

Source: ¹ U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1939-40, 1947-48, 1953-54, 1957-58.

² U. S. Bureau of the Census. Compendium of State Government Finances: 1940, 1948, 1954, 1958.

amount per student, \$1,229, expended on public higher education in 1957-58. The four states spending more per student were Minnesota, \$1,633; Alabama, \$1,370; Florida, \$1,354; and Maryland, \$1,347. The national average for public institutions was \$1,323. Louisiana was \$94 per student below the national average.

It is interesting to compare the above findings with other studies. The Southern Regional Education Board published a number of statistical tables in the booklet Statistics for the Sixties. Seymour Harris has done extensive work on comparing student costs among the various states. Three studies shown in Table X (a) compare the expenditures per student for eight states for the year 1957-58.

Harris' figures are below those of this study because he excludes organized research, extension and public services for educational costs. It is not possible to reconcile the figures of this study with those of the SREB since the details of calculations are not shown.

Sources of Income

Table XI shows the amounts and percentages of the three major sources of income for public higher education

Table X (a)

Expenditures Per Student
Public Institutions of Higher Education -
Eight Selected States, 1957-58

State	Harris ¹	Rank	SREB ²	Rank	This ³ Study	Rank
Alabama	\$ 976	5	\$1,120	4	\$1,370	2
Florida	982	3	1,295	2	1,354	3
Kentucky	712	8	964	5	1,002	7
Louisiana	980	4	1,240	3	1,229	5
Maryland	1,118	2	1,398	1	1,347	4
Minnesota	1,226	1	-		1,633	1
Oklahoma	728	7	887	7	915	8
Tennessee	736	6	896	6	1,010	6

Source: ¹Seymour E. Harris, Higher Education: Resources and Finance (New York: McGraw-Hill, 1962), p. 340.

²Statistics for the Sixties, Higher Education in the South (Southern Regional Education Board, Atlanta, Georgia, 1963), p. 101.

³Table X

in eight selected states. Higher education in Louisiana receives a far greater percentage of income from the state government than any of the other seven states. Public higher education in Louisiana received eighty-one per cent of educational and general income from the state government in 1959-60. Florida and Oklahoma ranked second and third with seventy-two and sixty-five per cent, respectively, coming from the state government.

Table XI

Sources of Educational and General Income of Public
Institutions of Higher Education - Eight Selected States
(In thousands)

State	Year	Total Income Public Inst.	State Government		Federal Government		Student Fees	
			Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Alabama	1947-48	15,973	6,546	41	6,298	39	1,434	8.96
	1953-54	23,045	11,667	51	2,692	10	3,396	14.74
	1957-58	34,670	15,445	45	4,068	13	5,520	15.9
	1959-60	41,811	19,722	47	5,445	13	5,991	14.3
Florida	1947-48	14,124	9,359	66	2,723	19	861	6.7
	1953-54	25,304	19,338	76	2,318	9	1,868	7.4
	1957-58	38,623	29,313	76	3,724	10	3,115	8.1
	1959-60	51,470	37,244	72	5,162	10	4,461	8.7
Kentucky	1947-48	13,250	4,365	33	4,672	25	2,190	16.5
	1953-54	16,173	6,908	43	2,383	15	3,013	18.6
	1957-58	24,781	11,183	45	3,529	14	4,968	20.0
	1959-60	31,936	14,872	47	4,257	13	5,606	17.6
Louisiana	1947-48	15,460	10,408	67	3,418	22	971	6.3
	1953-54	24,673	20,312	82	1,780	7	995	4.0
	1957-58	41,361	34,455	83	2,983	7	1,584	3.8
	1959-60	52,134	42,322	81	4,312	8	2,149	4.1

Table XI (cont'd.)

State	Year	Total Income	State Government		Federal Government		Student Fees	
		Public Inst.	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Maryland	1947-48	12,239	5,252	43	2,766	23	1,768	14.4
	1953-54	21,867	12,777	58	1,952	9	3,105	14.2
	1957-58	35,217	20,170	57	3,736	11	4,629	13.0
	1959-60	43,329	23,862	55	5,218	12	6,000	13.8
Minnesota	1947-48	26,402	11,117	42	6,697	25	1,897	7.2
	1953-54	42,892	21,619	50	6,290	15	4,946	11.5
	1957-58	61,113	32,587	53	8,841	15	7,605	12.4
	1959-60	75,328	34,984	46	14,468	19	9,975	13.2
Oklahoma	1947-48	17,783	8,006	45	6,223	35	1,803	10.1
	1953-54	26,462	18,468	70	1,747	7	2,658	10.0
	1957-58	34,640	22,003	64	3,292	10	5,270	15.2
	1959-60	41,810	27,047	65	3,858	10	6,338	15.2
Tennessee	1947-48	12,022	4,941	41	4,615	38	1,604	13.3
	1953-54	17,689	10,615	60	1,926	11	3,429	19.4
	1957-58	29,057	14,945	51	3,988	14	4,875	16.8
	1959-60	34,912	16,909	48	5,822	17	6,507	18.6
United States	1957-58	2,145,903	1,110,811	52	387,156	18	270,686	12.6

Source: U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1947-48, 1953-54, 1957-58, 1959-60.

Student fees account for a smaller percentage of income to higher education in Louisiana than in any state in the nation. The national average in 1957-58 was 11.7 per cent of educational and general income of public universities. Louisiana institutions of higher education received only 3.8 per cent of educational and general income from student fees. Of the eight states reviewed in Table IX, Florida was second lowest with 8.1 per cent. The state with the highest percentage of its total funds coming from student fees was Kentucky with twenty per cent.

A surprising relationship is found when a comparison is made regarding student fees and expenditures for student aid. (See Table XIII.) A normal expectation would be for public institutions that charge higher tuition to have a stronger student aid program. The reverse is generally found with the eight states reviewed in this study. Kentucky receives the largest per cent of income from student fees. Yet the expenditures for student aid are less than Maryland, which receives only thirteen per cent of its income from student fees. Tennessee, Alabama and Oklahoma have student fees above the national average, but student aid is below the national average. Florida has

the second lowest student fees but the largest student aid program. Louisiana has the lowest tuition and ranks third lowest in student aid.

Louisiana ranked lowest of the eight states reviewed in the percentage of educational and general income received from the federal government. Minnesota, the state receiving the largest percentage of income from the federal government, received nineteen per cent in 1959-60 while Louisiana received eight per cent. Federal research grants are responsible for the large difference. Minnesota received over \$9 million for research in 1959-60 and Louisiana received a little over \$2 million. The position of Louisiana is low because Louisiana's total expenditures are much larger than the other states with the exception of Minnesota. Florida and Oklahoma were next lowest to Louisiana with ten per cent of educational and general income coming from the federal government.

Table XII shows that Louisiana is second lowest in percentage of educational and general income received from private gifts and grants. Florida received only .9 of one per cent from this source and Kentucky and Minnesota received 9.9 and 7.4 per cent, respectively.

Data for all sources of income for public higher education by state are not available after 1959-60.. M. M. Chambers has compiled comparable state appropriations for public institutions through 1962-63. (See Table XIV.) During the years from 1959-60 to 1962-63 Louisiana's tax appropriation to public higher education has increased by sixteen per cent. Five out of the eight states appropriated to higher education percentage increases ranging from twenty-three to ninety-eight. Alabama and Oklahoma appropriated a smaller percentage increase than Louisiana.

Summary of Income

Louisiana is first in rank with the eight states reviewed in total state government expenditures and is second in total amount spent on public higher education. Louisiana ranked lowest in percentage of state expenditures from all sources going to higher education and ranked third in per cent of personal income going to public higher education. Louisiana ranked third in per capita income going to public higher education and ranked fifth in amount per student in public higher education. Public higher education in Louisiana received by far the largest percentage of income from the state government. Louisiana received

Table XII

Educational and General Income of Public Institutions of Higher Education
from State Government, Student Fees, and Private Gifts - Eight Selected States
(In thousands)

State	Year	Total State Less Federal	State Government		Student Fee		Private Gifts and Grants	
			Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Alabama	1947-48	9,675	6,546	67.7	1,434	14.8	252	2.6
	1953-54	20,353	11,667	57.3	3,396	16.7	516	2.5
	1957-58	30,602	15,445	50.3	5,520	18.0	162	.5
	1959-60	36,366	19,722	54.2	5,991	16.5	790	2.2
Florida	1947-48	11,401	9,359	82.1	861	7.5	68	.6
	1953-54	22,986	19,338	84.0	1,868	8.1	318	1.4
	1957-58	34,899	29,313	84.0	3,115	8.9	1,062	3.0
	1959-60	46,308	37,244	80.4	4,461	9.6	397	.9
Kentucky	1947-48	8,578	4,365	50.9	2,190	25.5	263	3.0
	1953-54	13,790	6,908	50.1	3,013	21.8	950	6.9
	1957-58	21,252	11,183	52.6	4,968	23.4	703	3.3
	1959-60	27,679	14,872	53.7	5,606	20.3	2,743	9.9
Louisiana	1947-48	12,042	10,480	87.0	971	8.1	85	.7
	1953-54	22,893	20,312	88.7	995	4.3	411	1.8
	1957-58	38,378	34,455	89.8	1,584	4.1	400	1.0
	1959-60	47,822	42,322	88.5	2,149	4.5	542	1.1

Table XII (cont'd.)

State	Year	Total State Less Federal	State Government		Student Fee		Private Gifts and Grants	
			Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Maryland	1947-48	9,473	5,252	55.0	1,768	18.7	68	.7
	1953-54	19,915	12,777	64.2	3,105	15.6	443	2.2
	1957-58	31,481	20,170	64.1	4,629	14.7	595	1.9
	1959-60	38,111	23,862	62.6	6,000	15.8	753	2.0
Minnesota	1947-48	19,705	11,117	56.4	1,897	9.6	1,577	8.0
	1953-54	36,602	21,619	59.0	4,946	13.5	2,745	7.5
	1957-58	52,272	32,587	62.0	7,605	14.5	3,712	7.1
	1959-60	60,860	34,984	57.5	9,975	16.6	4,533	7.4
Oklahoma	1947-48	11,560	8,006	69.3	1,803	15.6	80	.67
	1953-54	24,715	18,468	74.7	2,658	10.8	95	.4
	1957-58	31,348	22,003	70.2	5,270	16.8	449	1.4
	1959-60	37,952	27,047	71.3	6,338	16.7	615	1.6
Tennessee	1947-48	7,408	4,941	66.7	1,604	21.7	193	2.6
	1953-54	15,763	10,615	67.3	3,429	21.8	537	3.4
	1957-58	25,069	14,945	59.6	4,875	19.4	1,899	7.6
	1959-60	29,090	16,909	58.1	6,507	22.4	1,538	5.3
United States	1957-58	1,758,747	1,110,811	63.2	270,686	15.4	68,601	3.9

Source: U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1947-48, 1953-54, 1957-58, 1959-60.

Table XIII

Income from Student Fees and Expenditures for Student Aid,
Public Institutions of Higher Education, 1957-58 -
Eight Selected States

State	Total Income (in thousands)	Exp. for Stu- dent Aid (in thousands)	Student Aid Ed. & Gen. Income (per cent)	Student Fees Ed. & Gen. Income (per cent)
Alabama	\$ 34,670	\$ 130	0.4	15.9
Florida	36,623	1,194	3.3	8.1
Kentucky	24,781	360	1.5	20.0
Louisiana	41,361	515	1.2	3.8
Maryland	35,217	652	1.8	13.0
Minnesota	61,113	900	1.5	12.4
Oklahoma	34,640	351	1.0	15.2
Tennessee	29,057	130	0.4	16.8
United States	2,145,903	45,339	2.1	12.6

Source: U. S. Department of Health, Education, and Wel-
fare. Statistics of Higher Education: 1957-58.

Table XIV

Percentage Increase in State Tax Appropriations to Public
Institutions of Higher Education, 1959-60 to 1962-63 -
Eight Selected States
(In thousands)

State	State Appropriation		Four Year Increase	Four Year Increase (per cent)
	1959-60	1962-63		
Alabama	\$ 21,823	\$ 22,051	\$ 228	1
Florida	37,263	46,044	8,781	23
Kentucky	14,954	29,573	14,619	98
Louisiana	40,062	46,760	6,698	16
Maryland	23,413	29,809	6,396	27
Minnesota	35,568	44,058	8,490	24
Oklahoma	27,014	30,020	3,006	11
Tennessee	17,022	22,359	5,337	31
United States	1,342,698	1,808,825	466,127	35

Source: M. M. Chambers, Appropriations of State Tax Funds for Operating Expenses of Higher Education. Joint Office of Institutional Research, Association of State Universities and Land-Grant Colleges: Washington, D. C., October 1, 1962.

the smallest percentage of income from student fees and the lowest percentage of income from the federal government.

Expenditures

Educational and general expenditures for public institutions of higher learning in various states can be compared with a high degree of confidence. Accounting practices are becoming more and more compatible among the institutions. The United States Department of Education has made a strong effort to compile comparable data from various institutions and state governments. States will, however, vary in emphasis on programs in higher education. Some place greater emphasis on organized research than do others. This will usually reduce the portion of expenditures devoted to instruction. Strong emphasis on research will also have an effect upon the role of extension and public service activities.

Table XV shows how Louisiana compares with other selected states and the national average on educational and general expenditures for public higher education for the years 1947-48, 1953-54, 1957-58 and 1959-60.

Administrative and General Expenses

From 1947-48 to 1959-60 Louisiana's percentage of expenditures going to administrative and general expenses for public higher education increased from twelve per cent to fifteen per cent. In 1959-60 Louisiana had the highest percentage of the eight states analyzed and was five per cent above the national average for public-controlled institutions. One reason for this is the number of separate institutions in Louisiana. This state has ten separate colleges and universities. With the exception of Oklahoma, Louisiana has more separate public institutions than any of the eight states under review. Oklahoma has a very efficient administrative structure since eighteen separate schools spend only nine per cent of educational and general expenditures for administration and general expenses.

In Chapter III, the comparisons were made of institutions within Louisiana. Louisiana State University was below the national average and the other institutions were more than twice the national average in expenditures for administration and general expenses.

Instruction and Departmental Research

Louisiana increased from forty-four to forty-six per

cent of expenditures on instruction from 1947-48 to 1959-60. The other seven states included in this study decreased their percentage of effort in this category; Oklahoma decreased from fifty-one to forty-four per cent of educational and general expenditures. The national average is forty-two per cent of educational and general expenditures devoted to instruction and departmental research.

Extension and Public Service

The range of relative expenditures in 1959-60 for extension and public service is from five to seventeen per cent among the eight states compared in Table XVI. Minnesota spends six per cent while Kentucky spends seventeen per cent; Louisiana is about average with 9.4 per cent.

General statements of comparison are not very reliable in this area of expenditures. Although no data have been compiled on sources of revenue supporting extension services, it is believed that states vary considerably in methods of financing extension and public services. Some states have a high degree of local support, whereas others concentrate at the state level. In Louisiana, the vast majority of expenditures in this category pertains to agricultural extension services. Sources of financing in

Louisiana are approximately fifty-one per cent from the state government, thirty-nine per cent from the federal government, and ten per cent from local sources.

Libraries

All educational institutions spend approximately two to four per cent of educational and general expenditures on libraries. This is substantiated by the SREB in Statistics for the Sixties, Table 23; among the sixteen states shown, Louisiana had a range of 4.1 per cent and Maryland had a range of 2.0 per cent. National figures of the Department of Health, Education and Welfare for 1957-58 for all institutions show an average of 2.4 per cent.

Physical Plant Operation and Maintenance

Since 1947-48, Louisiana has been consistent with thirteen to fifteen per cent of educational and general expenditures going to operation and maintenance of physical plant. The national average in 1959-60 for this category was eleven per cent. Alabama was lowest of the states compared with 7.5 per cent; this state has nine separate public institutions whereas Louisiana has ten.

Organized Research

This area of expenditures varies considerably among

states. For the eight states in Table XVI in 1959-60 the range is from twenty-two per cent in Florida to 9.8 per cent in Alabama. Federal support of research probably has more to do with this variation than anything else. For the year 1957-58, the federal government spent \$2,325,000 on research in Florida, and in Minnesota, \$5,392,000. Louisiana received \$1,011,000 from the federal government for research and spent \$4.7 million or 11.4 per cent of educational and general expenditures on organized research. The national average for research in public institutions of higher learning is nineteen per cent of educational and general expenditures.

In comparing Louisiana with some additional states with approximate budgets for higher education, we see the following emphasis on organized research as evidenced by the respective budgets for 1957-58: Florida, \$9,224; Pennsylvania, \$8,399; North Carolina, \$6,774; Georgia, \$6,141; Kansas, \$5,737; and Louisiana, \$4,684.¹

Related Activities

This category of expenditures also varies considerably

¹U. S. Department of Health, Education and Welfare, Statistics of Higher Education: 1957-58.

Table XV

Educational and General Expenditures,
Public Institutions of Higher Education,
1947-48, 1953-54, 1957-58, 1959-60 -
Eight Selected States
(In thousands of dollars)

State and Year	Total	General & Gen. Adm.	Instr. & Dept. Re- search	Extension Pub. Serv.	Libraries	Plant Op. & Maint.	Org. Re- search	Related Act.
Alabama								
1947-48	13,547	1,181	6,132	2,234	431	2,053	1,245	271
1953-54	22,328	1,729	8,733	3,096	1,012	2,157	2,326	3,274
1957-58	34,101	2,596	11,964	4,505	1,186	2,908	4,651	6,292
1959-60	41,383	3,095	15,241	6,196	1,771	3,098	4,059	7,923
Florida								
1947-48	11,053	937	5,060	787	360	1,300	1,963	647
1953-54	23,597	2,105	10,591	1,341	931	3,092	4,885	653
1957-58	37,657	3,885	15,483	2,317	1,578	3,874	9,224	1,296
1959-60	49,863	4,476	19,765	2,688	1,840	4,467	10,908	5,719
Kentucky								
1947-48	11,076	1,060	5,184	1,672	386	1,716	923	135
1953-54	15,953	1,642	6,657	2,223	544	2,302	2,291	294
1957-58	24,483	2,604	10,180	3,956	746	2,975	3,490	533
1959-60	31,683	4,029	12,817	5,274	1,052	3,587	3,902	1,022

Table XV (cont'd.)

State and Year	Total	General & Gen. Adm.	Instr. & Dept. Re-search	Extension Pub. Serv.	Libraries	Plant Op. & Maint.	Org. Re-search	Related Act.
Louisiana								
1947-48	14,769	1,775	6,473	1,814	551	2,213	1,376	568
1953-54	23,500	3,102	10,299	2,974	925	3,096	2,672	433
1957-58	40,765	5,907	17,816	3,982	1,627	5,738	4,684	1,010
1959-60	51,633	7,718	23,533	4,867	2,009	6,931	5,487	1,087
Maryland								
1947-48	10,726	776	4,202	1,069	186	1,134	870	2,399
1953-54	21,020	2,305	7,120	1,443	420	3,213	2,332	4,187
1957-58	34,247	3,372	11,170	2,052	708	4,077	4,431	8,437
1959-60	42,006	4,554	13,661	3,273	934	5,009	5,959	8,615
Minnesota								
1947-48	24,832	2,520	10,472	1,545	850	2,981	4,156	2,307
1953-54	41,419	3,747	15,853	2,580	1,075	5,174	8,664	4,326
1957-58	58,867	6,059	22,332	3,296	1,424	5,505	11,307	8,944
1959-60	71,586	6,466	27,428	4,156	1,712	6,318	14,706	10,800
Oklahoma								
1947-48	15,958	1,974	8,086	1,754	447	2,392	1,001	305
1953-54	25,530	2,201	10,662	2,825	838	3,203	2,250	3,551
1957-58	34,364	3,203	15,185	3,863	1,081	3,821	3,464	3,746
1959-60	40,936	3,747	17,825	4,421	1,330	4,493	4,542	4,577

Table XV (cont'd.)

State and Year	Total	General & Gen. Adm.	Instr. & Dept. Re- search	Extension Pub. Serv.	Libraries	Plant Op. & Maint.	Org. Re- search	Related Act.
Tennessee								
1947-48	10,531	677	5,504	1,684	369	1,358	631	307
1953-54	16,844	1,165	8,651	2,373	583	2,410	1,161	501
1957-58	28,914	2,469	12,200	3,334	814	2,945	4,637	2,516
1959-60	33,940	2,976	13,930	3,701	1,015	3,255	5,930	3,132
United States								
1957-58	2,077,656	214,348	868,125	163,221	60,300	232,819	387,255	151,497
Source: U. S. Department of Health, Education, and Welfare. <u>Statistics of Higher Ed-</u> <u>ucation: 1947-48, 1953-54, 1957-58, 1959-60.</u>								

Table XVI

Educational and General Expenditures,
Public Institutions of Higher Education,
1947-48, 1953-54, 1957-58, 1959-60 -
Eight Selected States
(Per Cent)

State	Year	General & Gen. Adm.	Instr. & Dept. Re- search	Extension Pub. Serv.	Libraries	Plant · Op. & Maint.	Org. Re- search	Related Act.
Alabama	1947-48	9	45	17	3	15	9	2
	1953-54	8	39	14	5	9	10	15
	1957-58	8	35	13	3	9	14	18
	1959-60	8	37	15	4	8	9	19
Florida	1947-48	8	46	7	3	12	18	6
	1953-54	9	44	6	4	13	21	3
	1957-58	10	41	6	4	11	24	4
	1959-60	9	40	5	4	9	22	11
Kentucky	1947-48	10	47	15	4	15	8	1
	1953-54	10	42	14	3	14	14	2
	1957-58	11	42	16	3	12	14	2
	1959-60	13	40	17	4	11	12	3
Louisiana	1947-48	12	44	12	4	15	9	4
	1953-54	13	44	13	4	13	11	2
	1957-58	15	44	10	4	14	11	2
	1959-60	15	46	9	4	13	11	2

Table XVI (cont'd.)

State	Year	General & Gen. Adm.	Instr. & Extension Dept. Re- search	Pub.Serv.	Libraries	Plant Op. & Maint.	Org. Re- search	Related Act.
Maryland	1947-48	8	39	10	2	11	8	22
	1953-54	11	34	7	2	15	11	20
	1957-58	9	33	6	2	12	13	25
	1959-60	11	33	8	2	12	14	20
Minnesota	1947-48	10	42	6	4	12	17	9
	1953-54	9	38	6	3	13	21	10
	1957-58	10	38	6	2	9	19	16
	1959-60	9	39	6	3	8	20	15
Oklahoma	1947-48	12	51	11	3	15	6	2
	1953-54	8	42	11	3	13	9	14
	1957-58	10	44	11	3	11	10	11
	1959-60	9	44	11	3	11	11	11
Tennessee	1947-48	6	52	16	4	13	6	3
	1953-54	7	51	14	4	14	7	3
	1957-58	8	42	12	3	10	16	9
	1959-60	9	41	11	3	10	17	9
United States	1957-58	10	42	8	3	11	19	7

Source: U. S. Department of Health, Education, and Welfare. Statistics of Higher Education: 1947-48, 1953-54, 1957-58, 1959-60.

among institutions. These activities are closely connected with instruction but are not actually integral parts of the teaching program. Included are such functions as creameries, sugar mills, meat stores, etc. Louisiana spent much less than the national average of seven per cent in 1959-60, and is lowest of the eight states reviewed in Table XVI. During this same year, Louisiana allocated 2.1 per cent of educational and general expenditures for related activities; Maryland spent the highest percentage with twenty per cent.

Summary of Expenditures

In review of educational and general expenditures, Louisiana was highest of the eight selected states in expenditures on general administrative and general expenses, and five per cent higher than the national average. Louisiana increased the percentage of expenditures going for instruction during the same period in which all the other selected states decreased budgets in this area; Louisiana is four percentage points above the national average. Louisiana approximates the national percentage level of expenditures for extension and public service. Organized research is one area in which Louisiana is considerably

behind the national level and behind many states with comparable budgets to public higher education.

Chapter V

PROJECTIONS OF FUTURE NEEDS OF PUBLIC INSTITUTIONS OF HIGHER EDUCATION

In previous chapters the development of higher education in Louisiana is traced and compared with certain other states. The state government of Louisiana carries a larger portion of financial responsibility for public higher education than do most other state governments. The present chapter will include projections of the demands for higher education through 1970.

Student Enrollments

Since World War II there has developed a demand for higher education unequalled in the history of the United States. The advancement of the nation's economic, social, and political position has called for more and better education beyond the high school level. This fact has resulted in a growing percentage of high school graduates continuing formal education. Figures for Louisiana from the Bureau of Census and the U. S. Department of Education show an increasing percentage of the total population in the eighteen to twenty-one age group attend-

ing college. In 1950 the percentage was 19.2 and in 1960 it was 31.5 per cent. The rise in birth rate during the 1940s adds another reason for expansion of college enrollment in the immediate years ahead. In order for the institutions, states and the nation to prepare for the forthcoming demands for higher education it is necessary to make careful projections of college enrollment.

Several different projections will be shown in this chapter. It appears that the projections of the American Association of Collegiate Registrars and Admissions Officers are the most reliable for total enrollment.

The age group, eighteen through twenty-one, is used in projecting enrollments in the AACRAO study. Very few students are ready for college prior to the age of eighteen. Although a large number of students over the age of twenty-one are in college, it has been found that a higher correlation exists between the eighteen to twenty-one years old group and total college attendance than in any other four-year span age group and total college attendance.¹

¹ Ronald B. Thompson, Enrollment Projections for Higher Education 1961-1978, American Association of Collegiate Registrars and Admissions Officers, (September, 1961), p. 1.

Projections are made with the assumption that migration trends and college attendance trends will remain substantially the same as they have during the past ten years.

Table XVII shows the degree-credit enrollment projections for Louisiana during the time period 1963-64 through 1970-71. These projections are based upon births in the state, death rate of the age group, migration, and college attendance trends.

By 1970-71 there will be 114,847 people seeking a college education in Louisiana. In comparing the AACRAO projection with others the following variations are found:

1. The Louisiana Commission on Higher Education in 1955 projected an 89,503 full-time equivalent enrollment by 1970. Add 13,500*, approximately fifteen per cent, for part-time degree-credit students and a comparable projection is 103,003 degree-credit students.

2. The office of the Registrar of Louisiana State University projects an enrollment of 26,573 degree-credit students for that institution by 1970-71. In 1961-62 LSU's enrollment was 27.4 per cent of the total in Louisiana. Assuming a thirty per cent portion of total

*This estimate is mine; same approximate per cent as 1955.

Table XVII

Projected College Enrollment in Louisiana
1963-64, 1970-71
Total Degree-Credit Enrollment

18-21 year age group			
Year	Projected Population	Variable % of enrollment	Estimated Enrollment
1963-64	200,589	35.7	71,610
1964-65	209,544	36.9	77,322
1965-66	220,007	38.0	83,823
1966-67	230,416	39.3	90,553
1967-68	245,237	40.5	99,321
1968-69	251,332	41.7	104,805
1969-70	254,803	42.9	109,310
1970-71	260,423	43.9	114,847

Source: Ronald B. Thompson, Enrollment Projections for Higher Education, 1961-1978, A Service of the Enrollment Studies Committee of the American Association of Collegiate Registrars and Admissions Officers, September, 1961, p. 15.

students for LSU in 1970, there will be 88,580 degree-credit students in Louisiana.

3. The Louisiana State Department of Education estimates a head-count enrollment of 48,300 by 1970 for the nine public institutions under the State Board of Education. Add LSU's projection of 26,573 and a total of 74,873 students in public-controlled colleges and universities is obtained. If the current trend continues, private institutions will have enrollments of approximately 15,700. These figures give a projection of 90,573 college students by 1970.

4. The Southern Regional Education Board projections show a much greater demand for higher education in Louisiana than do any of the other projections. According to SREB there will be 132,000 students in higher education in Louisiana by 1970. An analysis of the data from which this projection is made shows that the college age population group (18-21) in 1970 is set at 295,000. The projection of AACRAO sets a base population for this group at 260,423. Both projections indicate an enrollment in excess of 43 per cent of the 18-21 age group.

The portion of college enrollment that public

institutions must absorb is of real significance in planning for future public-controlled colleges and universities. The percentage of college enrollment going to public institutions has continued to increase since World War II. In 1947-48 approximately 58 per cent of the enrollment was in the public institutions. By 1962-63 over 76 per cent of total college enrollment attended public institutions of higher education.

In Table XVIII is shown the enrollment trend in public and private institutions of higher education. The four-year intervals from 1947-48 to 1961-62 show a five per cent increase for public institutions in the first and last intervals and a seven per cent for the second. This projected trend will call for public institutions to handle 86 per cent of the enrollment in 1970. This compares with the projection of 90 per cent by the SREB² and is the highest percentage projection of any of the sixteen states in the Southern region. It appears that public institutions will have to absorb all the future increases in enrollment in higher education.

² Statistics for the Sixties, Higher Education in the South (Southern Regional Education Board, Atlanta, Georgia, 1963), p. 26.

Table XVIII
College Enrollment in Louisiana
By Control of Institutions

	1947-48	%	1953-54	%	1957-58	%	1961-62	%
Enrollment	41,248		40,280		48,462		62,312	
Public	23,746	57.6	25,154	62.4	33,476	69.1	46,187	74.1
Private	17,502	42.4	15,126	37.6	14,986	30.9	16,125	25.9

Source: U. S. Department of Health, Education, and Welfare, Statistics of Higher Education, 1947-48, 1953-54, 1957-58.

U. S. Department of Health, Education, and Welfare, Opening (Fall) Enrollment in Higher Education, 1961: Institutional Data.

Faculty and Staff

How well an institution of higher education accomplishes its mission will depend largely upon its faculty and staff. Qualified faculty members are hard to obtain in today's market for well-educated manpower. Not only must faculty members be employed in greater number, but also the present teachers must be induced to remain in the profession. The loss of faculty members to other institutions is not so crucial a problem as losing a member from the teaching ranks. To obtain a greater number of faculty members trained outside Louisiana was one of the proposals of the Louisiana Commission on Higher Education.³

In order for Louisiana to secure the needed manpower for teaching and research, it will be necessary to go into a rising national market. One of the conditions for getting qualified faculties is certainly competitive salaries. However, the mission of the institution may well be just as important in the mind of the potential professor. The long-range plans of an institution and how

³ Louisiana Commission on Higher Education, Educational Programs and Services for Higher Education in Louisiana, Volume IV, p. VI-12.

a specific school or department fits into this plan are questions invariably considered when prospective teachers are interviewed for positions. Research opportunities and facilities are important to a faculty member, especially at the university level. A progressive college or university must have good faculty morale that will help keep faculty members striving for improvement and making greater contributions to learning.

A review of the growth of faculty and staff members for the past ten years will help in projecting the needs for the future. In 1947-48 Louisiana had 3,210 full-time faculty and staff members. By 1957-58 the number had grown to 5,985, an increase of over 87 per cent. Of the total number, public schools employed 3,766 and private schools 2,219.⁴ During the immediate post-war years institutions of higher education had to absorb thousands of new students without adequate faculties. Even with large increases in faculties there is still a serious shortage of qualified teachers.

During the next decade another avalanche of students

⁴ U. S. Department of Health, Education, and Welfare, Statistics of Higher Education, 1957-58.

will descend upon the colleges. The SREB in 1962 projected a need in Louisiana for 3,200 faculty additions by 1970.⁵ The Louisiana Commission on Higher Education projected in 1955 a need for an increase of 3,400 new teaching members in public colleges and universities by 1970. An additional 1,200 new positions will be needed in research, medicine, and extension services. The total projection of new persons for public schools will reach 4,600 by 1970.⁶ This number is greater than the total academic staff for Louisiana in 1957-58. The projection for public college enrollment in Louisiana from 1958 to 1970 shows an increase of 119 per cent. Obtaining the necessary faculty for proper guidance of these college students will require an all-out effort by every person concerned with higher education.

Special attention should be given to one aspect of the growth of academic staff members in Louisiana. Between 1947 and 1957 the total academic staff of public colleges and universities increased from 2,195 to 3,766.

⁵ Statistics for the Sixties, op. cit., p. 67.

⁶ Louisiana Commission on Higher Education, Demands and Resources for Higher Education in Louisiana, Volume I, p. VI-2.

Of the total increase of 1,571, the non-teaching staff accounted for 625. The non-teaching, extension and organized research portion of the total academic staff increased from twenty per cent to thirty per cent. The teaching personnel increased by 54 per cent while non-teaching personnel increased by 142 per cent. Student enrollment during the same period increased by 41 per cent. See Table XIX below.

Table XIX

Academic Staff of Public Institutions of Higher
Education in Louisiana
Teaching and Non-teaching
Comparison with Student Enrollment
1947 to 1957

Year	Acad. Staff Total	%	Teach- ing	%	Non- Teach- ing	%	Students	%
1947- 48	2,195		1,755	80	440	20	23,743	
1957- 58	3,766		2,701	71	1,065	29	33,476	
Ten Year In- crease	1,571	72	946	54	625	142	9,730	41

Source: U. S. Department of Health, Education, and Welfare, Statistics of Higher Education, 1947-48, 1957-58.

Another significant element regarding increased faculty and enrollment shown in Table XIX is the fact that the teaching staff increased relatively more than student enrollment. The Louisiana Commission on Higher Education pointed out in 1955 the inefficient use of faculties. The following quote is taken from the Commission conclusions:

"Instructional costs at the upper level in Louisiana's public institutions are substantially higher than those at the lower level. Several factors contribute to this situation:

- Overspecialization of fields, with attendant proliferation of courses providing a great variety of offerings and many small sections.
- Numerous classes with small enrollments, many in the liberal arts and sciences.
- Lack of student demand in degree programs.
- Many small duplicate and repeat sections.

All of these factors call for administrative decision and action. So that this action can be based on facts, the collection of data on a continuing basis is essential. Then, and only then, will the administrator be sufficiently informed about the instructional program to act in the best interests of all concerned."⁷

⁷ Louisiana Commission on Higher Education, op. cit., Volume IV, p. 11-18.

Capital Outlay

In 1955 the Louisiana Commission on Higher Education projected a need for \$105 million for additional academic building space for public colleges and universities of the state. The estimate for residential space needed between 1955 and 1970 was \$44 million.⁸ Since most of the residential needs can be financed by the use of self-generating revenues, the problem of future capital funds will pertain basically to non-residential space needs.

Public institutions have received from the state approximately \$69.7 million since 1955 for new academic space. Louisiana State University spent \$32.8 million and the other institutions used \$27.9 million.

For the past ten years a total of \$139.8 million was spent by higher education on all capital outlay. Of this total \$38.7 million was obtained through the sale of revenue bonds by the various institutions. The state government has provided over \$10 million per year since 1952 for the colleges and universities. This amount has been

⁸Ibid., Volume I, pp. VI-3, VI-4.

provided in a number of ways: specific appropriations, transfer of appropriations from the operating budget of institutions, and state bonds issued by the Building Authority, the Bond and Building Commission and Louisiana State University.

The recommendations for capital outlay by the Louisiana Commission on Higher Education have proven to be far short of the actual building needs of the various institutions. The Commission did not anticipate the conversion of Nicholls College into a four-year institution or the addition of the two-year branch of Louisiana State University at Alexandria. LSU in New Orleans will require far more by 1970 than the \$8 million projected by the Commission. The system of Louisiana State University alone will require state funds of at least \$42 million by 1970 or an average of \$6 million per year. In June of 1963, the LSU Board of Supervisors called for capital needs of over \$22 million in the next four years and the University's long-range capital plans will cost in excess of \$60 million.⁹

⁹Planned Capital Construction Program, Louisiana State University (unpublished material), April, 1961.

The other institutions of higher education have spent an average of more than \$7 million per year since 1952 for all capital outlay; approximately \$4 million of this total was used for academic space. With a 119 per cent enrollment increase projected for 1970 and the fact that increasing emphasis is being placed upon advanced study and research, which calls for new costly facilities and equipment, it is inconceivable to project a reduction in demand for capital outlay.

Between now and 1970 the state government of Louisiana will be called upon to provide at least \$11 million per year for capital funds. Revenue bonds will provide an additional \$4 million annually for residential buildings. The total of \$15 million per year for the next seven years compares with the \$14 million annually spent by higher education for capital outlay during the past ten years.

This \$15 million annual capital outlay projection is high in comparison with national figures calculated by Selma Mushkin and Robert Bokelman of the U. S. Department of Health, Education, and Welfare.¹⁰ They have fixed the

¹⁰U. S. Department of Health, Education, and Welfare, Economics of Higher Education (Washington, D. C.: United States Government Printing Office, 1962), p. 188.

ten-year cost (1957-67) of capital outlay at \$3,834 for each additional student above present enrollment. This figure used with the projection of enrollment figures for Louisiana public institutions would average approximately \$11 million annually over the next seven years.

The average capital outlay cost was \$9,762 for each addition to enrollment in Louisiana during the past ten years. Using the past ten-year trend in comparison with projected national figures, Louisiana has spent over twice as much for buildings per additional student as the nation as a whole will spend between 1957 and 1967.

Student Educational Costs

Student educational costs include all direct costs pertaining to the instructional programs and allocations of general administrative and plant services expenditures; these are applied to educational costs by using the ratio of direct costs to total cost, excluding the joint cost categories of general administrative and plant services. Library costs are considered direct student educational costs even though organized research activities do involve some use of library facilities.

Projection of student costs is based upon projected

enrollments shown in Table XVII and the trend of average student educational costs over the past eight years. In using average student costs as a means of projection one must make the assumption that the categories of students will maintain the same approximate ratios to total students as in the past. Different levels of instructional programs vary significantly in costs. For example, Louisiana State University presented the following breakdown of student costs in the budget request to the State for 1963-64:

Baton Rouge Campus	
Undergraduate	\$ 723
Graduate	2,169
Law	1,294
Alexandria Campus	
Undergraduate	1,382
New Orleans Campuses	
LSUNO Undergrad	821
Medical School	4,932 ¹¹

There is variation also in student costs for different curricula.

The average student educational cost in public

¹¹Louisiana State University Budget Request to the State of Louisiana for 1963-64.

institutions of higher learning in Louisiana for the eight-year period 1953-1961 has risen from \$644 to \$857. During the period 1953-1957 average student costs increased annually by 6.25 per cent whereas costs increased by 1.58 per cent annually for the four years of 1957-61. (See Table XX.) This variation in costs can be explained in part by the fact that the financial condition of the state government was in much better position to support higher education in 1953-57 than it was for the following four years. Not only was the state economy of Louisiana increasing at a more rapid pace than the national economy between 1953 and 1957, but the state also received considerable revenue from oil leases and bonuses during this period.

There is no accepted measurement for efficient student costs. The money available determines the average student cost rather than some measurement of production efficiency or product quality. Past experience of student costs is the most logical approach in establishing a cost base from which projections are made.

In making projections on student cost trends, one must assume that the various factors affecting student costs other than enrollment will remain the same during

Table XX

Average Student Education Costs
Louisiana Public Institutions of Higher Education
1953-54, 1957-58, 1961-62

Year	Student Education Costs (in thousands)	Enrollment	Average Stu- dent Cost
1953-54	\$14,790	22,958	\$644
1957-58	26,857	33,377	806
1961-62	39,577	46,187	857

Source: Louisiana State University Financial Reports; State Department of Education, Annual Report on Higher Education, 1953-54, 1957-58, 1961-62.

the projection period. Some of the variables that affect student costs are price level, total employment and the teacher supply, teaching methods and programs, and costs of equipment and supplies.

As shown in Table XX the average increase in student costs from 1953 to 1961 was \$27 per year. Using this trend for projection, the average cost per student in 1970 will be \$1100, or a percentage increase of 30. This compares with Harris' projection for all higher education of \$1,520 per student in 1969-70. His projection is 43 per cent over his 1957-58 average cost of \$1,070.¹² Table XXI projects the needed revenue for student higher education for the nine years from 1961 to 1970. This projection calls for an annual increase of \$70 million by 1970 for costs related to student instruction, or an increase of 177 per cent. Selma Mushkin made a similar projection for the nation as a whole for the period of 1957-58 to 1970-71 and found a percentage increase of 287. By reducing Mushkin's estimate to a corresponding time period, a comparable

¹²Seymour E. Harris, "Financing of Higher Education: Broad Issues," Dexter M. Keezer (ed.), Financing Higher Education, 1960-70 (New York: McGraw-Hill Book Co., 1959), p. 37.

Table XXI

Projection of Student Education Costs
Louisiana Public Higher Education
1961-1970

Year	Enrollment	Percent to Public Institutions	Public Enrollment	Student Ed. Costs (in thousands)	Average Student Costs
1961-62	*62,312	*74.1	*46,187	*\$39,577	*\$857
1962-63	*66,692	*76.5	*51,002	45,086	884
1963-64	71,610	77.35	55,390	50,460	911
1964-65	77,322	78.70	60,852	57,079	938
1965-66	83,823	80.05	67,100	64,752	965
1966-67	90,553	81.40	73,710	73,120	992
1967-68	99,321	82.75	82,188	83,750	1,019
1968-69	104,805	84.10	88,141	92,195	1,046
1969-70	109,310	85.45	93,405	100,224	1,073
1970-71	114,847	86.80	99,687	109,656	1,100

*actual figures

Source: Ronald B. Thompson, Enrollment Projections for Higher Education 1961-1978, p. 15.
Average student cost trend of Table XX.

figure of a 199 per cent increase is obtained.¹³

Research and Extension Service

The previous chapter shows that Louisiana does not spend as much on research as other comparable states. Though this area of expenditures may receive greater support in future years, projections are made based upon the past eight years.

Table XXII reveals the changes in these expenditures between 1953-54 and 1961-62. Louisiana State University is responsible for all organized research and the vast majority of extension services. Over the eight-year period research and extension increased from \$8,516,000 to \$18,973,000 or 123 per cent.¹⁴ An average increase of \$1,307,000 occurred annually between 1953 and 1961. Projections are made in Table XXIII using the absolute annual increase. By 1970-71 this area of higher education will need a total of \$30.7 million annually or an increase of approximately 62 per cent over 1961-62.

¹³U. S. Department of Health, Education and Welfare, Economics of Higher Education, op. cit., p. 176.

¹⁴General administration and plant service costs have been allocated to research and extension according to the ratio of direct expenditures to total expenditures, excluding general administration and plant services.

Table XXII

Expenditures for Research and Extension Services
Louisiana Public Higher Education
1953-54 to 1961-62
(in thousands)

Year	Allocation of Gen. Adm. & Plant Serv.	Organized Research	Extension	Total Services
1953-54	\$3,120	\$2,672	\$2,724	\$8,516
1957-58	5,362	4,679	3,873	13,914
1961-62	6,891	6,725	5,357	18,973

Source: Louisiana State University, Financial Reports,
1953-54, 1957-58, 1961-62.
State Department of Education, Annual Report on
Higher Education, 1953-54, 1957-58, 1961-62.

Table XXIII
Projection of Costs for Research and Extension Services
Louisiana Public Higher Education
1961-1970
(in thousands)

Year	Amount	Year	Amount
1961-62	\$18,973	1966-67	\$25,508
1962-63	20,280	1967-68	26,815
1963-64	21,587	1968-69	28,122
1964-65	22,894	1969-70	29,429
1965-66	24,201	1970-71	30,736

Source: Trend established in Table XXII.

Summary

The demands for financial support of institutions of higher education are summarized in Table XXIV. These demands will increase from the base year of 1961-62 by 24 per cent by 1963-64 and 124 per cent by 1970-71. The vast majority of this increase is attributable to student education. This area of higher education will need increased financial support from \$39.6 million in 1961-62 to \$109.6 million in 1970-71; average student cost per year will rise to \$1,100 by this date.

Research expenditures will probably increase more than the trend of the 1950s will project. Since this area of higher education will be affected in large measure by federal government expenditures, there is no sound base on which an increase in trend can be estimated. Research and extension services are projected to reach \$30.7 million, a 62 per cent increase, by 1970.

Annual capital outlay projections for the period are \$6 million for Louisiana State University and \$5 million for the other institutions. An additional \$4 million per year will be needed for revenue-producing facilities; these buildings should not require state government support.

Table XXIV
 Projected Expenditures for Louisiana Public Higher
 Education
 1961-1970
 (in thousands)

Year	Student Education	Research & Extension	Capital Outlay	Total
1961-62	\$ 39,577	\$ 18,973	\$ 10,000	\$ 68,550
1962-63	45,086	20,280	10,000	75,366
1963-64	50,460	21,587	11,000	83,047
1964-65	57,079	22,894	11,000	90,973
1965-66	64,752	24,201	11,000	99,953
1966-67	73,120	25,508	11,000	109,628
1967-68	83,750	26,815	11,000	121,565
1968-69	92,195	28,122	11,000	131,317
1969-70	100,224	29,429	11,000	140,653
1970-71	109,656	30,736	11,000	151,392

Auxiliary enterprises excluded.

Source: Tables XXII and XXIII.

In total, higher education will need an annual budget of over \$151 million. This is an increase of 123 per cent over 1961-62. Chapter six will correlate the material of this chapter with Louisiana's ability to finance public higher education.

CHAPTER VI

LOUISIANA'S ABILITY TO SUPPORT THE NEEDS OF HIGHER EDUCATION - 1963-1970

The ability of the state to finance higher education is dependent to a large extent upon how well the Louisiana economy functions. Most of the revenue of the state government is sensitive to the fluctuation of business activity, i.e., severance, sales, gasoline, and income taxes. The General Fund of the state is supported in large part from taxes that are less sensitive to the variations of the economy than are those listed above. This is one favorable aspect of higher education's being financed predominantly from the General Fund. However, this one good point is offset by the fact that the General Fund receives a small per cent of total state revenue.

Dedicated State Revenue

The Louisiana tax structure is one dominated by dedication of state revenues for specific purposes. The General Fund receives approximately twenty-five per cent of the state-level revenues. If considerable revenue were

not transferred into the General Fund from other special accounts, the General Fund would receive less than ten per cent of state revenue. When federal grants are added to the budget, approximately eighty-six per cent of all revenue is dedicated. This tax system places heavy pressure on the General Fund to finance many state agencies with a small portion of state revenue. The dedication procedure also makes it impossible for the Legislature to have much effect on the efficiency of those departments supported from ear-marked funds. Little flexibility exists in maneuvering the vast majority of state revenue. Each year some departments have surplus funds while others are in financial trouble. This type of situation causes an agency of government to alter programs according to revenue changes rather than the needs of the agency.

Heavily dedicated tax structures also place in the executive branch of government an over-balance of power. The governor of the state of Louisiana appoints the directors of the various agencies. In most cases these agency heads serve at the pleasure of the governor. Since the governor cannot succeed himself, it is most difficult for the state to maintain a stable governmental program. With the

balance of power in the executive branch, there is not much the Legislature can do about stability of state government either. The citizens of Louisiana pay a heavy price for the system of dedicated taxes.

The General Fund not only has the burden of supporting higher education and many other functions of government, but it must also be the source of funds to meet deficiencies that frequently occur in state agencies financed by dedicated funds, e.g., public elementary and secondary education and the highway department. The financing of higher education, then, depends upon the condition of the State General Fund.

Even though the General Fund is somewhat insensitive to business fluctuation, it is still affected seriously by the condition of the economy. Should dedicated revenue fall short, the General Fund would be called upon to help keep the dedicated-area programs at full strength. For these reasons it is important to give some attention to the general trend of economic activities of the state.

Economic Growth and Fluctuations of Louisiana

The most recent and complete study of economic growth and fluctuations in Louisiana was made by Stephen L.

McDonald with the assistance of the College of Business Administration of Louisiana State University. This study traces the economy of the state during the period 1947 to 1957. In comparing Louisiana with the nation as a whole, it was found that Louisiana's economic growth increased faster than the nation during the period studied.

The basic natural resources of water, petroleum, gas, salt and sulphur generated an investment boom which lifted the state economy to a rapid expansion. Between 1947 and 1957 personal income for Louisiana increased by 115 per cent compared with the national average of 84 per cent. Per capita personal income in Louisiana rose by 76.7 per cent while the United States per capita personal income increased only 55.9 per cent. Of the ten economic measurements used by McDonald in the study, all but one, electric power production, had a higher increase in Louisiana than in the nation.¹

In 1957 the economy of Louisiana seemed to have reached a peak. McDonald commented in 1961 when finishing

¹Stephen L. McDonald, Growth and Fluctuations in the Economy of Louisiana, 1947-1959, Louisiana Business Bulletin, XXIII (July, 1961), No. 1, p. 29.

the study that Louisiana's economic growth had been lagging behind that of the nation since 1957. Current statistics on personal income bear out the fact that Louisiana has been behind the nation's increase during recent years. According to figures reported by the United States Department of Commerce in Survey of Current Business,² per capita personal income for the nation increased by fifteen per cent between 1957 and 1962 while the Louisiana increase was ten per cent. It is encouraging to see this same report state that the per capita income for Louisiana increased by five per cent from 1961 to 1962 while the national increase was four per cent.

From 1957 to 1962 the greatest weakness in the Louisiana economy was construction. While in the nation, in the southeast, and in the southwest regions personal income increased from construction, in Louisiana it decreased by nineteen per cent. The finance, insurance and real estate segment of the economy was the strongest from 1957 to 1962 with a 42 per cent increase compared with a 35 per cent for the nation.

²U. S. Department of Commerce, Survey of Current Business: April, 1963. Office of Business Economics, Washington, D. C.: U. S. Government Printing Office.

With personal income in Louisiana rising faster than in the nation in 1961-62, it is hoped that the economy of Louisiana is again in a position to keep pace or surpass the growth rate of the national economy.

State General Fund of Louisiana

Total state revenue has increased over the past ten years while the General Fund has received relatively less of state revenue. As the economy grows the dedicated revenue increases faster than does that of the General Fund. Table XXV shows the sources of revenue going to the General Fund from 1952-53 to 1961-62.

Total state-level revenue increased from \$293.7 million in 1952-53 to \$599.4 million in 1961-62; during the same period the General Fund received \$97 million and \$150 million, respectively. The General Fund received thirty-three per cent of state-level revenue in 1952-53 and twenty-five per cent in 1961-62. State revenue going directly to the General Fund in 1952-53 was 50.5 per cent of the total and only thirty per cent ten years later. Of total state-level revenue, 7.5 per cent went directly to the General Fund in 1961-62. When federal funds are added, the General Fund receives less than fifteen per

Table XXV

Sources of Revenue
General Fund of the State of Louisiana
1952-53 to 1961-62
(In thousands of dollars)

	1952-53	1953-54	1954-55	1955-56	1956-57
Major Taxes					
Ad Valorem	1,266	1,423	1,509	1,288	1,736
Alch. Bev. Pmt. Fee	905	872	861	857	878
Elec. Gen. Sale	0	1,490	1,618	1,803	1,989
Ex. Lic. Ins.	3,512	3,970	4,351	4,142	5,830
Inheritance	1,389	1,998	2,146	2,563	2,661
Nat. Gas Fran.	237	270	288	306	324
Occup. Lic.	4,120	3,945	3,982	4,217	4,658
Power, Elec.	2,490	2,679	1,281	1,405	1,511
Soft Drink	1,026	1,100	1,019	1,203	1,149
Sub-Total	14,945	17,747	17,055	17,784	20,736
All Other Revenue	31,961	32,152	113,083	73,829	66,689
Other State Agencies	2,027	2,135	2,155	2,502	3,030
Sub-Total	48,933	52,034	132,293	94,115	90,455
Transfer Revenue					
Corp. Fran. Tax	2,982	3,620	4,615	5,153	5,904
Royalties, Mineral	11,822	16,551	18,519	24,420	19,153
Tobacco Tax	11,633	11,502	10,628	12,390	13,176
Beer Tax	5,247	6,727	5,785	5,869	6,509
Property Tax Relief	5,231	3,773	1,445	0	8,440
Other Funds	11,138	17,577	13,077	40,444	16,227
Sub-Total	48,053	59,750	54,069	88,276	69,409
State-Level Revenue	96,986	111,784	186,382	182,391	159,864
Fed. & Sp. Funds	2,798	3,875	3,355	4,619	4,886
Grand Total	99,784	115,659	189,717	187,010	164,750

Table XXV (cont'd.)

	1957-58	1958-59	1959-60	1960-61	1961-62
Major Taxes					
Ad Valorem	1,521	2,330	2,354	2,497	1,863
Alch. Bev. Pmt. Fee	889	870	535	554	550
Elec. Gen. Sale	25	2,360	2,602	2,862	3,095
Ex. Lic. Ins.	5,812	6,304	7,002	7,308	7,676
Inheritance	2,675	2,818	7,201	4,654	4,804
Nat. Gas Fran.	324	330	1,283	858	687
Occup. Lic.	5,061	5,163	5,135	5,123	5,322
Power, Elec.	3,813	1,752	1,876	1,947	2,008
Soft Drink	1,202	1,186	1,557	1,536	1,147
Sub-Total	21,322	23,113	29,157	26,925	27,152
All Other Revenue	49,429	74,275	20,498	26,907	14,996
Other State Agencies	2,703	3,152	5,370	2,920	2,656
Sub-Total	73,454	100,560	55,025	56,752	44,804
Transfer Revenue					
Corp. Fran. Tax	7,407	18,475	11,425	11,228	12,691
Royalties, Mineral	22,172	25,838	28,918	37,953	42,221
Tobacco Tax	14,255	14,458	15,389	16,257	17,034
Beer Tax	12,399	5,910	5,928	7,608	8,347
Property Tax Relief	13,029	7,635	14,856	9,244	16,346
Other Funds	16,142	5,725	9,023	18,372	5,613
Sub-Total	85,404	78,041	85,539	100,662	105,145
State-Level Revenue	158,858	178,601	140,564	157,414	149,950
Fed. & Sp. Funds	4,563	5,398	5,885	9,133	9,650
Grand Total	163,421	183,999	146,449	166,547	159,599

Source: State of Louisiana, Financial Reports, Division of Administration Budget Office.

cent of the total state revenue.

These statistics show that the General Fund becomes more dependent upon transfer revenues each year. After other claims to state revenue have been satisfied, the General Fund receives what is left. Higher education thus is a residual claimant on state revenue. This, of course, does not provide a very optimistic outlook for state financing of higher education which will need an increasing percentage of state revenue between 1963 and 1970.

Higher education, excluding capital outlay, received 7.6 and 8.9 per cent of state-level revenue in 1952-53 and 1961-62, respectively; this shows an improvement in financial position of 1.3 percentage points of state revenue during the past ten years. This rate of increase will not be sufficient to meet the demands of higher education between 1963 and 1970. As will be shown later, approximately fourteen per cent of state-level revenue will be required by 1970 for regular operations of public colleges and universities.

The General Fund received \$97 million and \$150 million in 1952-53 and 1961-62, respectively; higher education received twenty per cent in 1952-53 and 27.9 per cent in

1961-62. This shows a little over one percentage point increase per year going to higher education. Between 1963 and 1970 annual increases of two to three percentage points of the General Fund will be needed by colleges and universities.

Projection of State General Fund Revenue - 1963-1970

As shown previously in this study, public higher education in Louisiana receives over eighty per cent of its revenue from the state government. In 1961-62 over ninety per cent of state support for higher education came from the State General Fund.

Using the method of least-squares for projecting revenue, the General Fund will have available for allocation the annual amounts shown in Table XXVI between 1963 and 1970. During this period several state bond issues supported by the Beer Tax and the Ad Valorem Tax will be redeemed. As the bonds are paid, additional revenue will be available to the General Fund; this revenue is included in the projections.

The nine major taxes that go directly to the General Fund and the five sources of transfer revenue are projected individually. Rental and bonus revenue from mineral bonds

Table XXVI

Projected Sources of Revenue
General Fund of the State of Louisiana
1962-63 to 1970-71
(In thousands of dollars)

	1961-62 (actual)	1962-63	1963-64	1964-65	1965-66
Major Taxes					
Ad Valorem	1,863	2,165	2,247	3,019	3,149
Alch. Bev. Pmt. Fee	550	556	562	568	574
Elec. Gen. Sale	3,095	3,320	3,545	3,770	3,995
Ex. Lic. Ins.	7,676	8,045	8,414	8,783	9,152
Inheritance	4,804	5,189	5,574	5,959	6,344
Nat. Gas Fran.	687	771	855	939	1,023
Occup. Lic.	5,322	5,700	5,840	6,010	6,200
Power, Elec.	2,008	2,112	2,216	2,320	2,460
Soft Drink	1,147	1,172	1,197	1,222	1,247
Sub-Total	27,152	29,030	30,450	32,590	34,144
All Other Revenue	14,996	13,000	13,000	13,000	13,000
Other State Agencies	2,656	2,762	2,868	2,974	3,080
Sub-Total	44,804	44,792	46,318	48,564	50,224
Transfer Revenue					
Corp. Fran. Tax	12,691	13,691	14,691	15,691	16,691
Royalties, Mineral	42,221	45,500	48,800	52,100	55,400
Tobacco Tax	17,034	17,612	18,190	18,768	19,346
Beer Tax	8,347	12,708	12,807	10,156	9,554
Property Tax Relief*	16,346	11,942	11,246	11,779	12,428
Other Funds	5,613	5,000	5,000	5,000	5,000
Sub-Total	105,145	106,453	110,734	113,494	118,419
State-Level Revenue	149,950	151,245	157,052	162,058	168,643
Federal Grants	3,778	3,929	4,111	4,293	4,475
Special Funds	5,872				
Grand Total	159,599	155,174	161,163	166,351	173,118

*Abnormal revenue from income tax because of withholding law.

Table XXVI (cont'd.)

	1966-67	1967-68	1968-69	1969-70	1970-71
Major Taxes					
Ad Valorem	3,280	3,408	3,538	3,668	3,814
Alch. Bev. Pmt. Fee	580	586	592	598	604
Elec. Gen. Sale	4,220	4,445	4,670	4,895	5,140
Ex. Lic. Ins.	9,521	9,890	10,259	10,628	11,053
Inheritance	6,729	7,114	7,499	7,884	8,199
Nat. Gas Fran.	1,107	1,191	1,275	1,359	1,441
Occup. Lic.	6,390	6,575	6,750	6,900	7,150
Power, Elec.	2,564	2,668	2,772	2,876	2,991
Soft Drink	1,272	1,297	1,322	1,347	1,372
Sub-Total	35,663	37,174	38,677	40,155	41,764
All Other Revenue	13,000	13,000	13,000	13,000	13,000
Other State Agencies	3,186	3,292	3,398	3,504	3,610
Sub-Total	51,849	53,466	55,075	56,659	58,374
Transfer Revenue					
Corp. Fran. Tax	17,691	18,691	19,691	20,691	21,691
Royalties, Mineral	58,700	62,000	65,300	68,600	71,900
Tobacco Tax	19,924	20,502	21,880	21,658	22,236
Beer Tax	10,100	14,472	14,777	15,083	16,966
Property Tax Relief	13,466	14,366	15,399	16,271	17,888
Other Funds	5,000	5,000	5,000	5,000	5,000
Sub-Total	124,881	135,031	142,047	147,303	155,681
State-Level Revenue	176,730	188,497	197,122	203,962	214,055
Federal Grants	4,657	4,839	5,021	5,203	5,385
Special Funds					
Grand Total	181,387	193,336	202,143	209,165	219,440

Source: Least-squares method of projection using Table XXV.

are included in the All Other Revenue category. A conservative projection of \$13 million annually was used for this group. There is no way to project accurately rentals and bonuses, so an allowance was made approximate to the annual capital outlay needs for higher education. Another rough projection of \$5 million annually was made for Other Funds in the transfer revenue support to the General Fund.

In making projections from trend figures one must assume that future conditions affecting state revenue must be similar to the period from which the trend was calculated. The assumption must also be made that no political or legislative decisions will affect tax rates or those revenues presently going to the General Fund. Table XXV shows the sources of revenue going to the General Fund from 1952 to 1961. These figures were the base for projections.

With projections made for both higher education needs and revenue for the State General Fund, we are now in a position to determine whether or not present methods of financing higher education will be adequate between 1963 and 1970.

In 1961-62 public higher education received 83 per cent of total revenue from the state of Louisiana. All

state support except \$5 million annually dedicated to Louisiana State University comes from the State General Fund. Over ninety per cent of state support to higher education in 1961-62 came from the General Fund. Using these guidelines, the following amounts and percentages of the General Fund will be required for higher education from 1963 to 1970.

Year	Higher Ed. Needs from Gen. Fund (In thousands)	Revenue Projection General Fund (In thousands)	Per Cent of Gen. Fund
1963-64	\$ 63,000	\$ 157,052	40.1
1964-65	69,400	162,058	42.8
1965-66	76,600	168,653	45.4
1966-67	84,280	176,730	47.6
1967-68	93,880	188,497	49.8
1968-69	101,640	197,122	51.5
1969-70	109,120	203,962	53.5
1970-71	117,720	214,055	55.1

Using actual figures for 1961-62, higher education received 27.9 per cent of the State General Fund. If capital outlay had been financed from current funds, over thirty-six per cent of the General Fund would have been required; this percentage in 1961-62 is comparable with the projected percentages of 40.1 in 1963-64 and 55.1 in 1970-71. Excluding capital outlay, 33.5 per cent of the General Fund will be needed for higher education in

1963-64. This is 5.6 per cent more than was provided from the General Fund in 1961-62.

Unless substantial windfalls of revenue, such as mineral bonuses and royalties come to the state and are used for capital outlay in higher education, from \$12 to \$15 million annually must come from additional sources. Increases in tuition rates and self-generating income cannot provide all the additional needed revenue. Student tuition in Louisiana accounts for only five per cent of total revenue for public higher education. A tripling of student fees, which would approximate the national average for public institutions, would bring in only \$6 million in 1963-64 and \$14 million in 1970-71.

Since the General Fund has increased support by only one per cent annually in recent years, it will probably be necessary for a substantial increase in student fees to be made in order that regular operating costs of institutions of higher learning can be met. Capital outlay needs must be provided from new revenue going to higher education. By 1970 approximately \$88 million for academic building space will be needed.

Should the projection of needs for higher education

by 1970 be met, the State of Louisiana will provide \$148 million to colleges and universities. Using the method of least-squares for projecting, total state-level revenue will approximate \$900 million by 1970. Higher education will need fourteen per cent of state revenue. This will require a two percentage point increase annually. During the past ten years higher education has received a total increase of only 1.3 per cent of state revenue; this indicates the magnitude of the task before those concerned with adequate state funds for higher education in Louisiana.

CHAPTER VII

SPECIAL PROBLEMS OF HIGHER EDUCATION IN LOUISIANA

There are several problems that affect financing of Louisiana public higher education that have not been analyzed in detail in this study. Proper solution of these problems will have much to do with the quality of future higher education. Only the general aspects of these problems will be pointed out in this chapter. The topics will be discussed in the following order: Coordination of Higher Education in Louisiana, Fee Exemptions and Legislative Grants, Admission Policies of Public Institutions, and Private Gifts and Grants to Public-Controlled Institutions.

Coordination of Higher Education in Louisiana

During the years 1954 through 1956 Louisiana spent approximately \$250,000 on a detailed study of higher education. A five-volume report was prepared by the Louisiana Commission on Higher Education for use in developing a sound program for higher education through 1970. This Commission was appointed by the governor and included members from the Louisiana State University Board of Supervisors and the State Board of Education. The Commission engaged nationally-

known educators and consultants in the field of business management who worked with more than one-hundred members of faculties from Louisiana institutions of higher education. This detailed study is the only guide-line that we have for a total plan of higher education. If the governing boards of the various institutions had accepted this plan for a coordinated system of higher education, many of our problems today would be less severe. Summary quotations from the Commission's report point out the need for better coordination:

"In the development of institutional programs, Louisiana's state-supported institutions have tended to disregard the fact that they are elements of a state wide system of higher education. Competition has resulted in a wasteful and unnecessary duplication of effort.

Perhaps the greatest operating deficiency in the State's system (of higher education) is in the coordination of programs and activities. Under the present system, competition among the institutions for available funds tends to develop programs to the highest common denominator of uniformity, a practice which sometimes leads to unwarranted duplication.

The plan and program offered in this report is not so theoretically ideal that it is unobtainable in a human environment. It is a solid practical program ...the consistency of all of its elements, one with another, has been tested. It contains provisions for its own continuing self evaluation and adjustments as conditions change, new needs arise and old ones disappear. Its development has been based upon extensive and intensive researches conducted by scholars who live in the State and understand its needs, wishes and aversions. The program is offered as a whole; its adoption as a whole can guide the State's program in higher education through the difficult years of great

growth and development."¹

A few examples will clearly indicate the need for a planned approach to the development of higher education in our state. The Commission's findings indicated that Louisiana needed two additional four-year undergraduate institutions located in the metropolitan area of New Orleans; one for white and one for Negroes. Other than the two new institutions just mentioned, the Commission stated that no other state-supported institutions will be needed through 1970. The following developments occurred: (1) The two new four-year undergraduate institutions have been developed in New Orleans as recommended by the Commission. (2) Francis T. Nicholls Junior College was made a four-year college in 1956, the same month that the Commission on Higher Education published their report. (3) LSU at Alexandria was commissioned as a two-year branch of the University in September of 1960. (4) Southwestern's name has been changed to the University of Southwestern Louisiana. At the time this change was made by the Legislature the proponents of

¹Higher Education in Louisiana, 1956 to 1970, Louisiana Commission on Higher Education, Summary Report, p. 101.

the measure stated no change or additions to the school's programs were involved - that a simple change of name was all that was being affected. Since the name change was made there has been continued effort by USL to secure funds for research and highly specialized graduate programs. The current catalogue of the University of Southwestern Louisiana states that the institution was given university status in 1960. This name change took place without the recommendation of the State Board of Education, Southwestern's governing board. The changes at Nicholls and Louisiana State University at Alexandria were authorized by the Legislature before the Louisiana State University Board of Supervisors or the State Board of Education made any kind of recommendation. Higher education will not be properly coordinated as long as Legislative action is taken without careful study and without recommendations by those responsible for the total educational program.

The Commission's report pointed out that curricula analysis of the various institutions showed considerable fragmentation of some fields with resulting proliferation

of courses. The Commission stated that "over-expansion of offerings may reflect the ambition of a member of the faculty to raise the status of his department or to teach more highly specialized courses than may be required for the needs of the student."²

The Commission had specific comments and recommendations for many specific fields.

Agriculture: the Commission's proposals.

"The emphasis in agriculture at Grambling, McNeese, Northeast, Northwestern, Southeastern and Southern should be on high-quality programs in general agriculture, limiting the course offering in specialized fields to those required for the general program.

McNeese, Northwestern, Southeastern and Southern should reduce their offerings to approximately seventy semester hours, the maximum requirements for a program in general agriculture. This reduction should be accomplished by the elimination and consolidation of courses.

Negligible demand and high costs do not justify continuance of the program in agriculture at Nicholls.

In addition to a program in general agriculture, Louisiana Tech, LSU and Southwestern should offer specialized curricula in agriculture where demand is sufficient for classes to meet the minimum class size.

The State Board of Education should have a re-evaluation made of the need for farms and related facilities at each of the eight colleges in terms of the proposed programs in agriculture. Increased attention should be given to the utilization of private farms in the areas adjacent to the colleges for

²Ibid., Volume Four, Chapter II, p. 11.

observation of specific crops."³

Since the report was published in 1956, there is listed in the various catalogues curricula in specialized agriculture offered at eight public institutions of higher learning in Louisiana. Many high ranked professors and costly facilities are required in teaching specialized agricultural curricula. Considering the Commission as authoritative and non-partisan, the duplication in specialized agricultural curricula would seem unwarranted.

Forestry: the Commission's proposals.

"All baccalaureate and graduate degree programs in forestry in Louisiana should be offered by Louisiana State University.

Degrees granted in forestry at Louisiana Tech have decreased in recent years, and present demand is small. Since demand for the professional curriculum had fallen below 20 FTE students or 600 student semester credit-hours at the upper level, the program should be limited to the first two years of the professional curriculum.

McNeese should discontinue its degree program in forestry and should offer only basic lower-level forestry courses as a service to students. The low demand and high cost per student do not warrant continuation of the present full program.

Forestry as a service course in the curriculum in general agriculture should be continued in all schools where the demand meets the criterion for minimum class size."⁴

³Ibid., Volume Four, Chapter III, pp. 6-7.

⁴Ibid., p. 9.

The current catalogues of the various institutions show the following offerings in forestry:

1. Louisiana Tech has a full degree program offering seventy-five semester hours of forestry courses.
2. McNeese has a full degree program offering sixty-three semester hours of forestry.
3. Northwestern offers sixteen semester hours of forestry in the general agriculture curriculum.

Engineering: the Commission's proposals.

"The three engineering schools in Louisiana's public institutions provide some unwarranted duplication in various departments of engineering. If Louisiana were establishing schools of engineering from the beginning, one or two such schools would be sufficient. However, the three already established operate with reasonably economical programs, and with society's growing demand for engineers, Louisiana Tech, LSU and Southwestern should continue to produce engineering graduates.

In view of the nominal demand, the curriculum in aeronautical engineering at LSU should be examined to determine whether continuance of the program is justified at its substantial cost.

At present, there is demand for graduates in petroleum engineering, but the cost of equipping and operating such a department is high. There can be little question that two departments in the State can supply enough graduates to meet the demand and that it is an unwarranted expenditure of funds to continue operation of three such departments. The degree program in this area at LSU should be continued. The State Board of Education should decide which of the two State colleges, Louisiana Tech or Southwestern,

should discontinue its degree program in petroleum engineering."⁵

Both Louisiana Tech and Southwestern still offer full degree programs in petroleum engineering.

Journalism: the Commission's proposals.

"Degree programs in journalism should continue to be offered at Louisiana Tech, LSU, and Northwestern, the schools where demand is greatest and costs are lowest.

Without demand, no program can succeed. Moreover, the assignment of a member of a staff whose primary responsibilities are administrative rather than teaching jeopardizes the quality of instruction; if the teaching is carried as an extra responsibility, it will reduce administrative efficiency. McNeese and Northeast have little demand in journalism, and both have part-time faculties. Therefore, these two institutions should discontinue their degree programs and reduce their offerings to twelve semester-hours, the amount required for teacher certification in this field.

Nominal demand in journalism at Southeastern results in high costs, particularly at the upper level. Southeastern should therefore reduce its offerings to twelve semester-hours in journalism. The demand in journalism will then be concentrated in these courses."⁶

The following schools currently offer courses in journalism:

1. LSU offers a full degree program.
2. Northeast offers a full degree program.
3. Southwestern offers twenty-six semester hours in

⁵Ibid., pp. 14-15.

⁶Ibid., p. 28.

journalism.

4. Southeastern offers fifteen semester hours in journalism.
5. Nicholls offers seven semester hours in journalism.
6. McNeese's journalism program has been discontinued.

Geology:

The Commission's report pointed out that in 1956 six public schools and two private institutions offered courses in geology. A warning was made that future demand may not require this much duplication. At present, five public institutions, LSU, Louisiana Tech, Northwestern, Southwestern, and Northeast, offer degree programs. McNeese reduced the program to twenty-five semester hours. The demand for trained geologists in recent years would indicate excessive offerings in specialized geology courses.

Graduate and Professional Studies: the Commission's proposals.

"The major emphasis on graduate instruction and organized research programs should be confined to LSU. Graduate instruction in...teacher education through the Master Degree should be continued at Northwestern. Professional curricula which require highly specialized staff members and substantial outlays for special

equipment usually also require companion programs in the basic arts and sciences at the graduate level and should be limited to the institutions which have graduate programs."

In 1956 when the Commission finished the study there were two public institutions with graduate programs. Today all schools except Nicholls and Grambling offer curricula leading to graduate degrees. Many of the graduate programs were established without the approval, recommendation, or consultation of respective faculties. This is a prime example of community pressure groups and local Legislative interest adversely affecting higher education.

In addition to Louisiana State University, the following schools have established graduate programs leading to the Master's Degree:

1. Northwestern expanded graduate offerings from education in 1956 to fifteen fields of study today.
2. Southwestern offers graduate programs in all fields of engineering and education. Six fields in science have graduate curricula.
3. Louisiana Tech offers graduate degree curricula in twelve areas of education and fifteen fields of

⁷ Ibid., p. 27.

science.

4. Northeast offers graduate courses in eleven fields of education.
5. McNeese has seven fields of graduate study leading to the Master's degree.
6. Southern offers graduate study in four fields of education.
7. Southeastern offers graduate curricula in education. Other fields will be added in the future. Graduate study was established at Southeastern in the summer of 1962.
8. LSU in New Orleans plans to begin graduate studies in the fall of 1963.

Provisions for cooperation in higher education are set up by statute. The Coordinating Council was created to coordinate the activities of LSU and the other public institutions of higher learning. This Council, however, has no authority and has never functioned with any effectiveness. The Commission on Higher Education had the following to say about coordination when proposals for changes were made:

"It is unfair to expect the president of an institution to represent the interest of coordination of State-wide programs; his first allegiance must be to his own institution. Constant pressures are

brought upon him by his faculty, students, and community which he must translate into requests for the development of his own institution. It follows that coordination must come at a level where responsibility is to the State as a whole, and not to one region or faction. The proposals which follow will afford a structure which can provide a continuous evaluation of missions, institutions and programs of higher education."⁸

The Commission proposed that the Coordinating Council of Higher Education be reconstituted as an advisory body with specific responsibilities and that it be provided with a staff secretariat.⁹ Membership from the Louisiana State University Board of Supervisors and the State Board of Education should be in balance on the Council. The professional staff of the Council should draw staff assistance from the institutions of higher education for special services. The secretary of the Council should be a highly competent and respected educator and academic administrator. The functions of the Council were proposed as follows:

1. To make continuing studies of the State's needs in higher education.
2. Define and maintain continuing surveillance over

⁸Ibid., Volume Three, Chapter II, p. 7.

⁹For a comprehensive analysis of the workings of a coordinating council, see the article by Ralph T. Green, "The Need for Coordination and Control in Financing of State Institutions," Proceedings of National Tax Association, 1962, pp. 476-482.

the mission of each public institution of higher education.

3. Recommend policies, missions, and programs to the respective boards for preventing uneconomical duplication of programs and facilities among both public and private institutions of higher learning.

In recent years one would be hard pressed to prove any real effort to coordinate the activities of public higher education. There has been a great deal of talk about coordination by educators, Legislators and members of the governing boards of the various institutions. Yet, when the time came to make decisions that would curb the wishes of individual administrators, community pressure groups, or Legislators, the governing boards have backed off, postponed or sidestepped the issue. Most of the coordination has been done by the governor's State Budget Committee and the Division of Administration through budget recommendations. The two governing boards have had a number of joint meetings but very few joint decisions have resulted.

Since the State Legislature did not adhere to the Commission's recommendation for a professional staff to

serve the two Boards governing higher education, the individual Boards have not had non-partisan recommendations for state-wide educational needs. Until such time as a highly competent professional staff, free of excessive influence from either of the two Boards, can make the necessary research and recommendations, Louisiana will continue to have unwarranted duplication of higher educational facilities.

Legislative Fee Exemptions and Cash Grants

The present program of Legislative fee exemptions and cash grants is justified to the public by calling it scholarship aid to students attending public institutions of higher education in Louisiana. Actually, there is very little scholarship philosophy related to this program of student aid.

In May, 1963, the Public Affairs Research Council completed a thorough study of student fees and student aid. PAR recommended that the Legislative fee exemption and cash grant programs be discontinued. Albert Clary, Registrar of Louisiana State University, stated in a speech before the Baton Rouge Rotary Club in March, 1963, that the fee exemption and cash grant programs were not basically sound.

Over \$600,000 per year is appropriated for the Legislative cash grant program. The colleges and universities lose over \$500,000 per year from student fee exemptions awarded by Legislators. These funds could be of much more value as student aid if the various institutions were permitted to make loans and scholarship awards on an academic basis. PAR's findings reveal that fifty-six per cent of the cash grants are for \$25 or less and that ninety per cent are less than \$50. The fee exemptions range from \$10 to \$25 per semester. The financial help provided to any one student is too small to make a difference in whether or not he continues his higher educational studies.

The fee exemption program presents a very serious obstacle to increasing student fees to a level with fees at other comparable institutions. Each Legislator is permitted to have two hundred fee exemptions in effect at one time. With 145 donors, a total of 29,000 fee exemptions could be outstanding. In the fall of 1962, only 14,170 fee exemptions were outstanding. Since the exemptions are worth only \$10 at the state colleges and \$25 at LSU, the demand for the exemptions does not presently exhaust the supply. The state law provides for fee exemptions up to \$100 per

year on scholastic fees in public institutions of higher learning.

Should the public institutions increase scholastic fees, more students would probably secure exemptions from the Legislators. The fees at LSU could conceivably be doubled and still LSU could receive less revenue than they had prior to the increase. For any single campus, each Legislator can award eighty four-year exemptions over a period of four years. If 145 donors awarded the maximum exemptions for the Baton Rouge campus of LSU, every Louisiana student could be exempt from the general fee. A total of 11,600 exemptions could be outstanding for any single campus at one time. Of course, all campuses could not have one hundred per cent of the students receiving fee exemption awards at one time; a total of 29,000 exemptions are available during a four-year period.

If student fees are to carry their appropriate share of higher educational costs in Louisiana, the Legislative fee exemption program must be discontinued.

Admission Policies

At the present time all graduates of accredited Louisiana high schools are admitted to public institutions of

higher education in Louisiana. The open-door policy on admissions and the low tuition for students attending public colleges and universities are largely responsible for the public institutions enrolling over seventy-five per cent of the college students in Louisiana. By 1970 it is estimated that ninety per cent of the college enrollment in Louisiana will be in public schools.

Louisiana State University is the "pace setter" for all educational programs in Louisiana. This institution ranks very favorably with leading colleges and universities in the South. LSU has recently reaffirmed its philosophy of the open-door policy on admissions. All public institutions in Louisiana will probably attempt to maintain this position in the future.

The controversy over admissions in higher education continues from day to day and from educational conferences to Legislative halls. The trend is in the direction of selective admissions for the leading state universities and land-grant colleges. A recent survey made by the Joint Office of Institutional Research shows that fifty-nine out of ninety-four state universities and land-grant colleges have specific requirements for admission in addition to

high school graduation. Of the thirty-five remaining, fourteen have procedures discouraging marginal students from entering.¹⁰ In states where some of the public universities and colleges have selective admissions, other public institutions of higher education are available for those who cannot qualify for admission on a selective basis.

Selective admission procedures attempt to enroll those students who are most likely to succeed in college. Personal interviews with competent admission officers are necessary in accomplishing the desired aims.

College entrance testing programs are valuable in helping students adjust to college and in aiding them to select the proper course of study. However, supplemental information is necessary to provide a basis for valid selections. Admission officers must review high school records and scores made on recognized tests such as the Scholastic Aptitude Test, the American College Test and College Entrance Examination Board Test. Recommendations from high school personnel are helpful in considering the marginal students.

¹⁰For Your Information, Circular Number 21 (Washington, D. C.: Joint Office of Institutional Research, July 18, 1962), p. 1.

For the students in doubt, personal interviews on the campus with the student and his parents should be held for projecting the chances for success at a particular college. As entering freshmen classes continue to grow in size, much more counseling and guidance personnel must be used for an adequate job in admission procedures.

The drop-out problem has always been a real problem for higher education. The Joint Office of Institutional Research states that approximately fifty per cent of the freshman class in American colleges will drop out during the following four years; about forty per cent will never graduate. This drop-out rate has been fairly stable over the past forty years. Motivation, study problems and financial difficulties are the three main causes of drop-outs; academic reasons account for one out of three drop-outs.

As the admission qualifications have been tightened throughout the nation, only a slight decrease in percentage of freshman flunk-outs has occurred. "Students involved either do not know how to use their ability effectively or do not wish to."¹¹ Dean George B. Smith of the University of Kansas, in his paper, "Who Would Be Eliminated?", quotes Claude Eggertsen of the University of Michigan. This quote

¹¹Ibid., Circular Number 14, Feb. 9, 1962, p. 2.

deserves further use:

"If mistakes are to be made, as they will be under any system of selection, is it not wiser to risk error in the direction of confidence in the student's good faith and toward a belief in the power of self-direction and motivation rather than place too great faith in the ability of adults to predict successful performance in existing college programs? The student must be informed and counselled, of course, but it is he who should make the final decision on the basis of his own perception of the task to be performed and of his own abilities."¹²

In America today, idealistic thoughts on admission policies have run into conflict with economical use of the national resources for higher education. When the demand for quality higher education exceeds the supply of resources for that purpose, one of two alternatives must be used. Either more resources are employed or a reduction in effective demand must be made by some type of selection, counseling or guidance programs. Public institutions of higher education are attempting to reach a satisfactory solution by using a combination of the two alternatives.

Economically it is believed that the nation's investment in higher education is a wise use of funds. All attempts to measure the efficiency of higher educational

¹²George B. Smith, "Who Would Be Eliminated? A Study of Selective Admission to College." Kansas Studies in Education, University of Kansas, Volume 7, No. 1, December, 1956, p. 37.

expenditures indicate that more funds could be added without over-investment. Even though most people will agree that higher education must have more funds, a strong effort will have to be made by educators, government officials and alumni if the nation is to provide sufficient financial support to colleges and universities. Without some type of selective procedure or guidance programs that will help direct college-age people into the appropriate channel of continuing education, it is doubtful that the nation will provide adequate support for quality education.

Louisiana has pledged itself to the open-door policy on admissions. Therefore, a stronger effort must be made in counseling and guidance. The general public must be made conscious of the fact that higher education is attempting to use the state's resources in the most effective way.

In general it is a good investment by the state to underwrite a portion of any student's effort to succeed in college. Even if a student fails to make the grade, all is not lost. However, a student's chances for success in college vary according to the institution in which he enrolls. It is in connection with this decision that admission officers, counselors and guidance people can make a real contribution to the economical use of state funds for higher education.

Private Gifts and Grants to Public Institutions of Higher Education

Louisiana public institutions of higher education have not solicited private support through gifts and grants as have most institutions in other states. Alumni, friends of institutions and business and industry provide millions of dollars to public institutions each year. In 1960-61, over 115.7 million dollars was channeled to higher education in this way. Some examples of private support are listed below:

University of California	\$15.7 million
University of Wisconsin	8.9 million
Pennsylvania State University	7.0 million
Purdue University	6.8 million
University of Texas	4.0 million
University of North Carolina	3.5 million ¹³

In the same year, 1960-61, LSU received \$758,700; over fifty per cent of private funds came from corporate support for restricted research and scholarship assistance. The LSU Foundation, established in 1961, is developing a program to secure gifts from business and industry and the LSU Alumni Federation is concentrating on annual alumni

¹³ A Study of Voluntary Support for Public Higher Education, 1960-61, pp. 10-11.

giving for university support. Alumni organizations must lead the way toward growing private support to public higher education. Unless alumni participate in such programs, it is most unlikely that others will provide the necessary leadership and manpower.

It has been proven in other states that stronger private support will invariably generate more government support. As vote-conscious Legislators see their respective constituents giving private funds to higher education, they become more concerned about the financial needs of colleges and universities.

One of the most valuable aspects of individual gifts to public higher education is the development of stronger interest in college programs, progress and problems. If an individual gives only \$5 or \$10, he feels that he is a part of the program and thereby has more interest in it.

The future problems of financing public higher education will be affected greatly by the proper solution of the special problems of coordination, Legislative fee exemptions, admission practices, and the development of more private gifts to public institutions. Conclusions and recommendations of this study are presented in the final chapter.

CHAPTER VIII

CONCLUSIONS AND RECOMMENDATIONS

Publicly-controlled colleges and universities in Louisiana have developed without a long-range plan for a state-wide system of higher education. All highly populated areas of the state except the Shreveport area have publicly-controlled colleges. This part of the state, however, has two public colleges within a one-hundred mile radius. Additional college locations should not be necessary between 1963 and 1970. The big weakness in the development of institutions of higher learning has been the ad hoc decisions by Legislators and community groups to create new colleges or to expand programs of existing facilities. Additional facilities for the future should be established only after a thorough unbiased analysis has been completed. The Louisiana Legislature should not alter or create new programs in higher education without the recommendation of the educational governing boards of the state.

As a result of the increase in the number of institutions and new programs in higher education between 1952 and

1963, Louisiana State University suffered a reduction of 10.78 percentage points in its portion of total state revenue going to public higher education. In future years it would be unwise to reduce the relative state support to Louisiana State University. There should be one truly great center of learning in Louisiana. Without such a center, the other institutions cannot be strong. The state university and land-grant college should be this one outstanding institution.

Public higher education enrolls at present seventy-six per cent of the college students in the state of Louisiana. By 1970 over eighty-five per cent of college enrollment will be attending public schools. Those concerned with financing higher education should recognize this fact and start immediately to plan for the increasing enrollments.

In the 1930s and pre-war 1940s, higher education received a higher percentage of total state expenditures than at any time since World War II. Since 1948 higher education has received an increasing portion of state-government expenditures but has not regained the pre-war level of 11.3 per cent. Public education other than the college level has received, relatively, a greater increase in state expenditures

than has higher education. By 1970 fourteen per cent of state expenditures will be required for higher education if quality programs are offered to all students seeking college admission.

Eighty per cent of the financial support to Louisiana public colleges comes from state government revenue. This is the highest portion of public higher educational support coming from a state government in the sixteen southern states. Student fees are the lowest in the nation in Louisiana public colleges and relatively little revenue is provided from private gifts. Grants from the federal government to Louisiana colleges are lower than the national average of eighteen per cent of educational and general income.

Student fees should be doubled in 1964 and tripled by 1970 for students in Louisiana public higher education. For Louisiana State University, the current fee is \$120 per academic year. The other public colleges have fees less than \$75 per year. The national median for public universities is \$255 per academic year; for public liberal arts and teachers colleges the median for student fees is \$190. An increase in student fees of \$100 per year would give

public higher education in Louisiana an additional \$5 - \$6 million in 1964-65.

Income from student fees in Louisiana is related to the Legislative fee exemptions. If the maximum number of fee exemptions available to Legislators were issued, over 29,000 students would be assisted at one time. This is over fifty per cent of current enrollments. The Legislative fee exemption program has little merit and should be discontinued.

Louisiana institutions of higher education should make a stronger effort to have a better balance in sources of revenue. The most frequently recommended balance calls for approximately forty per cent of educational revenue to come from sources other than governments; currently Louisiana receives only eleven per cent from non-government sources. It is recommended that Louisiana make plans to obtain the following percentages of educational and general income from the respective sources by 1970:

State government	60 per cent
Federal government	10 per cent
Student fees	15 per cent
Private gifts	5 per cent
Other income	10 per cent

These respective percentages would give public higher education greater stability in its sources of funds than is

presently attained.

In comparing Louisiana expenditures for public higher education, one observes that Louisiana spends more money on higher education than do most states. Of the eight states compared in this study, only two states, Minnesota and Oklahoma, spend a larger per cent of personal income on public higher education than Louisiana; Seymour Harris ranked Louisiana ninth in the nation in spending on higher education in 1957-58. The efficiency of expenditures depends upon the distribution of funds and the number of students involved. The state government of Louisiana supports ten public higher educational institutions which have fourteen campuses. This is a larger number of public colleges than most state governments of comparable size support. The percentage of the college-age population attending institutions of higher education is higher in Louisiana than it is in any of the other southern states. In 1957-58 Louisiana ranked fifth highest of the eight states compared in this study on the amount of public funds spent per student; Louisiana spent \$94 less than the national average of \$1,323 per student in public institutions.

Even though Louisiana ranks high in the nation in per

cent of personal income and per capita income going to higher education, Louisiana is low in percentage of total state expenditures going to higher education. Other public education, welfare programs, and highway maintenance and construction receive relatively more support from the state government of Louisiana than do these same functions in most other states.

In summary, it can be stated that Louisiana compares favorably with other states in the dollar support for public higher education. Higher education in Louisiana compares unfavorably with other states in the relationship of expenditures on public higher education to expenditures on other state government functions. Louisiana ranks among the highest in the nation in percentage of personal income supporting state government operations. Higher education in Louisiana does not have as high a relative priority on state expenditures as it does in most other states.

Enrollment in public higher education in Louisiana will more than double by 1970. Cost to the state will increase from \$68 million in 1961 to \$151 million by 1970. In 1962 higher education in Louisiana received 9.48 per cent of state expenditures. Regular operations of higher education

will require fourteen per cent of the state's expenditures by 1970. Unless spending patterns change, this percentage will not be reached by 1970. Fifty-five per cent of the General Fund will be required if sources of revenue going to higher education are not changed. Unless the state government receives enough unprojected revenue from mineral leases and bonuses to provide the \$88 million of capital outlay, additional sources of revenue must be found.

Louisiana has the capacity to support adequately a quality program of higher education. Less than one per cent of personal income is currently spent on educational and general expenditures of colleges and universities. The challenge is before those who have dedicated their lives to higher education. Educators working together through their respective governing boards can present a coordinated case for higher education to the people of the state. Faculty members can concern themselves with the general financial problems of their respective institutions and help establish maximum effectiveness of expenditures for higher education. A stronger program of counseling and guidance in the high schools would strengthen the value of the state's educational dollar.

Higher education is indeed one of the most important functions of the state. Upon the colleges and universities much of the responsibility rests for progress toward a better living for the people of Louisiana. In the March, 1963, issue of the LSU Alumni News the following questions and answers were posed:

"Who will teach the thousands of elementary and secondary school children? College-trained teachers.

Who will provide medical care for the sick and injured? College-trained doctors and nurses.

Who will engineer and construct the highways and roads in Louisiana? College-trained engineers.

Who will direct the industrial plants that employ hundreds of thousands of workers? College-trained men and women.

Who will be responsible for improved agricultural yield? College-trained agricultural researchers and specialists.

Who will direct the governmental activities of Louisiana? College-trained men and women."¹

Thus, in higher education rest the keys for a better tomorrow. Finance will provide many trials and tribulations for students, parents, tax payers, educators and governmental officials. How well the problems of higher education

¹Tad Thrash, "Higher Education in Louisiana," LSU Alumni News, March, 1963, p. 18.

are solved will in large part determine the progress of the state of Louisiana.

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VITA

Edsel Earl Thrash was born at Lake, Mississippi, on August 28, 1925. Following high school at Lake, he enlisted in the United States Navy on August 16, 1943. In June, 1950, he received the Bachelor of Science Degree at Louisiana State University and the following year obtained the Master of Business Administration Degree at the same institution.

Employment with Esso Standard Oil Company at Baton Rouge began in June, 1951. With financial assistance from the Earhart Foundation, he re-entered Louisiana State University in September, 1955, pursuing the Doctor of Philosophy Degree. Upon completing the general examinations in May, 1957, he was appointed to his present position, Director of Alumni Affairs, for Louisiana State University.

He and his wife, the former Jessie McLendon of Raymond, Mississippi, are the parents of three children, Jane Louise, Catherine Ann and George Earl.

EXAMINATION AND THESIS REPORT

Candidate: Edsel Earl Thrash

Major Field: Economics

Title of Thesis: Financing Public Higher Education in Louisiana

Approved:

Bernard F. Shyer

Major Professor and Chairman

Max Goodrich

Dean of the Graduate School

EXAMINING COMMITTEE:

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Date of Examination:

July 31, 1963